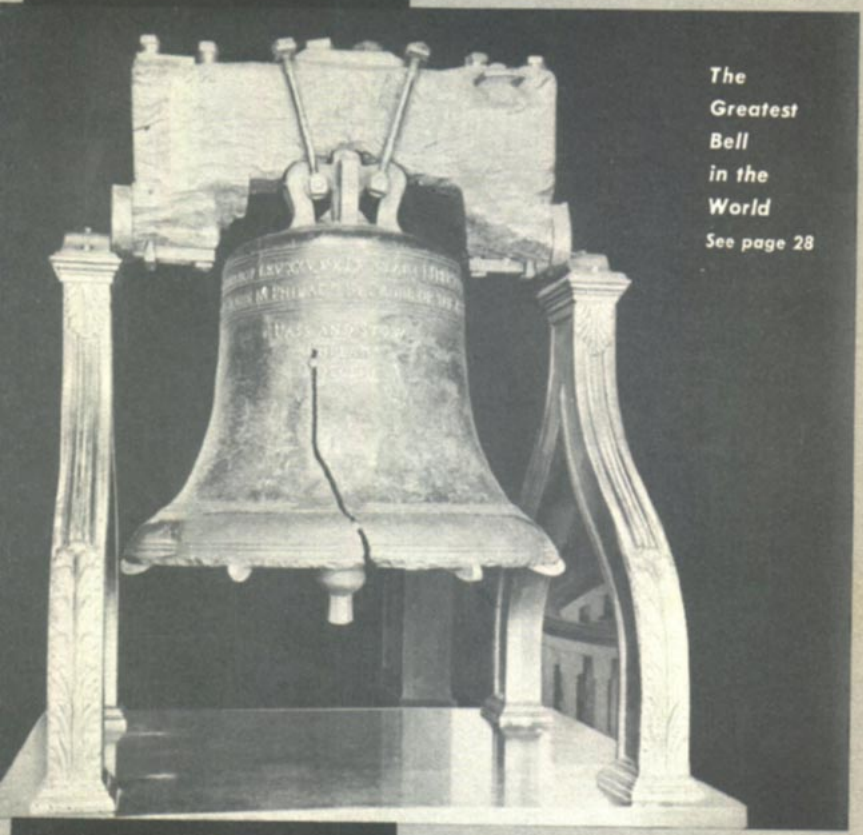
THE Freeman

IDEAS ON LIBERTY

FEBRUARY 1959



The Greatest Bell in the World

See page 28

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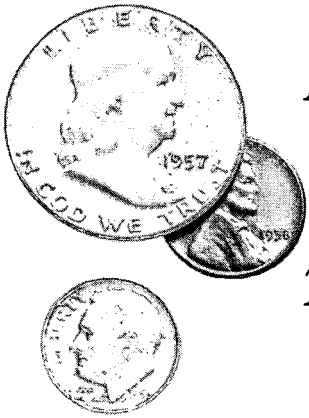

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THE Freeman

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TOWARD A POINT OF NO RETURN

ROBERT C. TYSON

THERE ARE many great industries in this land and though each of them has its own accomplishments of which to be proud and its own special problems about which to be perplexed, there are some problems that are common to all our industries and to all our individuals.

One way of thinking about such problems is in terms of a "point of no return." I was once a passenger aboard an airliner flying across the ocean. It actually happened to be a speedy and quite uneventful trip. Nevertheless, when someone said we had passed the point of no return, it gave me a bit of a pause. It meant we were committed to continue onward, for good or ill. To turn back had become impractical, if not impossible.

There was time for conjecture as we flew on and on and the words, "point of no return," kept coming back into my mind. It could be that the phrase had applicability and significance to the affairs of individuals, of nations, and indeed of the civilizations that have come and gone across the pages of history. All of us as individuals can recall certain decisions we made – perhaps long ago – but which, once made, irrevocably and inexorably dictated much of our individual destinies. And nations, too, can make fateful decisions as one once, for example, was made at Munich. Are we in this land of ours perchance also marching toward a point of no return? It can be a disquieting thought.

In just our own life spans there have been profound changes in the political, the economic, and the social institutions and attitudes of America. I shed no nostalgic tears at the passing of the so-called "good old days" as such. I seek, instead, for the central theme of this evolution. Its outward manifestation is perhaps the ever-growing power and costliness of our central government, with corresponding subordination

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Mr. Tyson is Chairman of the Finance Committee of United States Steel Corporation. This article is from an address before the Texas Mid-Continent Oil and Gas Association, Dallas, Texas, October 7, 1958.

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of the authority and dignity of state and local governments and of individuals. But even deeper than that is perhaps the increasing public acceptance of the notion that it is proper for the majestic power of government to be employed, either directly or indirectly, to compel vast redistribution of our incomes or, as Kipling once said, "by robbing selected Peter to pay for collective Paul."

A Disturbing Evolution

This represents a far greater change in what we might call the politically acceptable than most people realize. In your hearts there must be an uneasy feeling that something is wrong about having the minimum you must pay to, say, an office building janitor dictated in far away Washington. There is something grimly humorous, too, about describing the taking of up to about 90 per cent of an individual's honestly earned income as a fair tax. There is something both saddening and disquieting in the fact that, in the midst of the biggest peacetime boom with the highest peacetime tax rates ever experienced, no significant progress could be made in reducing an enormous federal debt, and we are now confronted with the prospect of inflationary deficits measured in the billions. Perhaps you are concerned that the social and legal frameworks seem to compel the leaders of our labor unions to seek dominating political power; that superior individual and corporate performance are tax punished, while inefficiency is sheltered and idleness subsidized; that increasing numbers seek and get government subsidy or special privilege at taxpayers' or consumers' expense.

I could, as could each of you, give further instances of the wholesale resort of the American people to the political means of getting something for nothing from each other. But rather I want to uncover, if I can, the underlying processes of this evolution. I think there are at least three of them that interact with each other and have potentiality of becoming self-stimulating spirals to spin us toward some point of no return.

One of them I am compelled to describe, however impolite it may be, as the "give-away spiral." The second process I have already noted as the "rob-Peter-pay-Paul nostrum." The third process I think of as "institutionalized inflation."

The Give-Away Spiral

The give-away spiral, once it is initiated, is nurtured by ordinary human nature. Once a moral prin-

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ciple is broken to gain the favor of any group, then other groups enviously and competitively seek similar privilege on threat of withholding political favor. The grantor of privilege, having sacrificed the moral defense previously acceptable to all, automatically becomes self-entrapped. He cannot or dare not withdraw the privilege, for privilege once granted is soon regarded as vested right by its recipient; and resentment of its withdrawal outweighs prior gratitude for its receipt.

This is well illustrated in the story of an officeholder that comes to mind. The officeholder, seeking re-election, was walking down the street when he met Joe, one of his constituents. After a greeting, he said, "Joe, I know you are going to vote for me next week." Joe replied, "No, I don't guess I will." The officeholder said, "That would really be ingratitude. Don't you remember two years ago when I got you on the special relief roll, and don't you remember last year when I got that son of yours a job in the Post Office?" Joe answered, "Yes, I remember you done those things, but what have you done for me lately?"

The point is that the grantor of privilege is condemned to go on and on giving more and more to politically significant groups merely to retain favor previously acquired. But each new grant diminishes the relative value of all prior grants, thus calling for their renewal and enlargement all over again. As an example, in every one of the past five Congressional election years Congress has increased social security benefits. This is not to condemn those benefits, but to show how the spiral, once initiated, increasingly becomes self-stimulating.

The Rob-Peter-Pay-Paul Process

Once the give-away spiral has been embraced it inevitably invokes the rob-Peter-pay-Paul process. For there is no way for some to gain from government giving except that others suffer from government taking. Government is society's armed and organized power to defend the nation and to control the behavior of the populace, but it has no power of itself to produce that which it donates to people at home or abroad. Swords are not plowshares; prisons are not factories; courts are not voluntary and competitive markets; expansive bureaucracy is not productive management. Government is necessary, but is nevertheless a net burden on, not a net support to, the economy. I will not press the point. Nor am I, for the moment, concerned with whether compulsory redistribution of income

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rests on true Golden Rule ethics or on misguided Robin Hood romanticism.

What does concern me is how the practice modifies the historic motivations of the American people. The system of economic incentives established in our land is an integral part of individual liberty and neither can exist without the other. That it has worked beyond the dreams of other times and places is witnessed by the historic rise in American living scales. The extent to which we tamper with those motivations is thus worth a minute's meditative consideration by everyone.

I submit to you that the material essence of individual freedom is that no one shall resort to compulsion or intimidation in his dealings with others – that is, no man may take another's property or physically injure or confine him without his consent; and not even government may do these things except to punish those who attempt them. People are only free when their acts are voluntary; and their acts can only be voluntary when the government's own majestic power of coercion is limited in its exercise to cancelling out coercion, fraud, and theft in the dealings of people with each other; and when, above all, that government power is never utilized to implement intergroup despoliation. That is why our Constitution and Bill of Rights bristle with prohibitions on the exercise of government's power. That is why too much government is a potential enemy of freedom and why eternal vigilance is the price of liberty.

Maximum Incentives

Consider now the economic incentives arising in a voluntary society. The system says to each one living under it that he can have for himself whatever he produces, or its equivalent, in voluntary exchanges; but he is permitted no power to take for himself what another has produced except that it be voluntarily bestowed. The maximum incentive that is possible without undermining a similar incentive to others is thereby applied to each individual or family unit. And the corollary is that since no one may despoil another, then no man can escape the need to exert himself productively and so help to meet the inescapable survival requirement of humanity on earth. The system is one of maximum possible incentives and spurs applied to each and every individual living under it. It also is one of maximum possible opportunity for no man can employ coercion to prevent another from entering an occupation similar to his own.

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Competitive Markets

Out of this come automatically what we know as free competitive markets. And imbedded in competitive markets are many of the features that explain the extraordinary rise of the American civilization. Here are some of those features:

Competitive markets, as you know, are our only guarantee of productive efficiency. They are also our only mechanism for the continuous and impersonal dispensing of economic justice. Under competitive markets the seller of anything is free to seek out whoever in the entire land will pay him the most in the light of what must be paid to others for the same thing. Similarly the buyer is free to seek out whoever will sell at the lowest price in the light of what others are charging. Whatever the resulting price, it represents the voluntary decision of the interested parties, all of whom have the recourse of refraining from purchase or sale if they deem it unsatisfactory. The fairness of a wage, price, profit, or of a loss is never to be determined from its arithmetic magnitude, but only in terms of whether it was achieved in the absence of fraud or coercion from any source — that is, in truly competitive markets.

Competitive markets continuously direct production to yield the maximum consumer satisfaction. I suppose that you have been, as have I, amazed at the great sensitivity and responsiveness of our competitive system to the changing demands of King Customer. Let some new item please the public, be it television or even hula hoops, and through beckoning profit prospect a new industry is born almost overnight. Let some industry or product lose customer favor and it quietly and impersonally disappears, its manpower and resources being diverted to other more valuable pursuits. Remember the long list of automobiles that exist now only as memories! We know also how swiftly, even frighteningly, our competitive system responds to the alternating inflationary and deflationary influences imposed upon it.

Such responsiveness had led many mistakenly to suppose that boom and bust are inherent in the competitive system itself rather than in the abuse it accurately reflects. In our competitive system we have, indeed, a most wondrous invention of mankind. It is stimulator, guider, and governor of economic effort, provider of opportunity, dispenser of justice, guardian of efficiency, promoter of progress.

I mention just one more of the many important features of com-

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petitive markets because it is a less recognized but nevertheless a happy and gratifying feature. In every human being, I am convinced, there is somewhere some bit of genius or special talent. In totalitarian states it can never be fully released. But through our competitive markets every one can and is both searching for and encouraging it in others and is allowed freely to develop it in himself. Thus we have a precious device for finding, releasing, and rewarding *all* the genius of *all* the people, and so long as we preserve it I have no fear of limited evil genius rampant elsewhere in this world.

Here then is the secret of the extraordinary rise of the American civilization, and please note that it has all rested on the system of maximum and universal incentives and opportunities inherent in a society that really believes in and actually practices individual freedom.

Undermining Our System

But what have we done to that system of incentives?

Today's relevant fact – which I doubt anyone seriously disputes – is that we have gone a long way towards undermining it. In terms of "carrot and stick" folklore we have been shrinking the carrot in front and even supplanting it with the stick from behind. Thus the income tax rates on superior individual performance have been lifted to 90 per cent – and might as well be 100 per cent as far as incentive is concerned. The pathetic thing is that the nation gains little if any revenue from steep progressive taxation but it can lose the effective services and leadership of the very ones who have competitively proven their superior productive effectiveness. Also, it actually can lose revenue because such people cannot possibly generate income for themselves without generating much additional income for others in the process, thus enlarging the over-all tax base. Corporate compensation of employees, for example, is a dozen times the dividends paid to owners.

At the other end of the incentive scale we have greatly removed individual and family incentive to be self-reliantly industrious and thrifty against old age, unemployment, or emergency. Some of you may be startled to realize that in any necessary cut back of the work force some wage contracts with labor unions already provide that, instead of working hours being reduced to less than four days a week, employees must be laid off entirely to enjoy unemployment compensation leisure.

In short, through progressively

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bitter tax punishment of the more productive and an ever-widening rewarding of the nonproductive, we are steadily adopting the Marxian dictum: "From each according to his ability, to each according to his need." This is something that communists warmly advocate we adopt, but which they themselves would not think of practicing because they know, having tried it out, that there is no more certain way to divert people from being productive to being indolent than to tell them that no one will be allowed to benefit very much from working harder, better, or longer than his neighbors, and that no one needs to suffer very much from not working diligently.

Burdensome Taxation

If we view the broad trend of corporate taxation, we see much of the same philosophy at work. Federal taxation now taxes over half of corporate taxable income; and the income remaining is taxed again when transferred to stockholders. And, when, in addition, the tax code unrealistically counts part of what is really depreciation cost as taxable income, then we have what in effect is "confiscation of capital."

Perhaps you have no sense of shock at a 52 per cent corporate income tax. But bear in mind that this tax rides on the broadest incentive of the competitive system, because corporate America provides three-fourths of all nongovernmental wages. The tax is a big factor and usually a deterring one in virtually all major business decisions. It is a penalty on efficiency, and the greater the efficiency the greater the tax per unit of output. On the other hand, inefficiency, by being spared a similar tax burden, is sheltered. We punish the efficient, coddle the inefficient, and thereby clog the self-cleansing and efficiency-guaranteeing features of the competitive system.

No one doubts that the power to tax involves the power to destroy, and that a 100 per cent corporate tax would destroy private capitalism, thus ushering in some sort of sterile socialism. In terms of this arithmetic we are already over half way to socialism with respect to three-quarters of the nation's production. How this has all come to pass in the land of the free and the home of the brave can only be explained, I suppose, in terms of the famous lines of Alexander Pope:

Vice is a monster of so frightful mien,
As to be hated needs but to be seen;
If seen too oft, familiar with her face,
We first endure, then pity, then embrace.

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We have gone far indeed under the driving force of the give-away and attendant rob-Peter-pay-Paul spirals – perhaps further than we realize.

Institutionalized Inflation

Implementing and interacting with these spirals is the inflation spiral. As a peacetime phenomenon I think of it as having two energizing origins. One of them is the insatiable requirements of the give-away spiral. The other is the monopoly power granted to labor unions. Both politically invoke the framework of soft money required for their functioning.

I think I have already said enough for us to understand that once we embrace the policy of having our government take care of those who do not take care of themselves, then the forces of human nature take over to make the process competitively self-perpetuating and self-augmenting. We have to do Lewis Carroll's Alice one better: We have to run ever *faster* just to stay where we are. Ever more federal largess is required and so the persistently recurring question is, "From where is the money to come?" There are only two answers. One is to take it in taxes; the other is to engage in its printing or the modern equivalent thereof. Both present dilemmas that tend to become increasingly unresolvable, and when they become completely unresolvable we have passed a point of no return.

The tax dilemma is a perfectly straightforward one: There is a point – even though no one can define it with precision – when the burden of taxation selectively imposed on the more productive and efficient will substantially destroy both their incentive and their ability to engage in new productive investment, out of which alone comes the creation of new self-sustaining jobs. You recall, of course, that the only way that such jobs ever come into existence is when someone invests savings – supposing they have not already been taxed away – in productive facilities and thereby creates the environment in which men may go to work producing the marketable values to cover their continuing wage. Impair too much the investors' profit in so doing, and the doing of it will be curtailed. There will be fewer new jobs for an expanding labor force to fill, or to replace those constantly being eliminated through technology. In such fashion a vicious spiral is born: The taxing aggravates the unemployment burden on the State, to carry which burden then calls for still more taxing. The Golden Goose in America is a mighty tough bird. It can and has

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taken a lot of plucking. But our pride and pleasure in its toughness should not beguile us into supposing it can never die.

The record is clear that what has been obtained from taxation has not been enough to meet the peacetime spending requirements, or temptations, of a welfare-minded government. There has been extensive resort to inflationary deficit financing, both before and after World War II, to get additional money to dole out. Although hidden behind a formidable façade of technicalities this inflationary process is relatively simple: We have our government print bonds which are turned over to banks, who in exchange for them create equivalent amounts of the deposits which we use for money. This multiplies the supply of money out of proportion to the goods and services going to market. The result is higher prices.

But this process breeds its own historically familiar dilemma, too. For if prices go up, then government's costs go up. The previously established level of out-go becomes inadequate for the originally intended purposes and so must be lifted. But this in turn increases the need for additional money, and hence for still further resort to the printing press. We thus walk in the shadow of the inflationary spiral, the most vicious spiral known to economic science. It is one which has devastated one country after another in the course of human history. It is loose in the world today as the handmaiden of extravagant governments functioning on paper money standards.

Industry in this country has receded only a moderate amount from the peak of the biggest boom ever experienced. But we find ourselves suddenly confronted with the prospect of huge federal deficits. Corporate job-creating investment in new plant and equipment has been experiencing serious decline. But inflation continues and fear of its aggravation mounts. Many thoughtful people warn of little likelihood that unemployment will be significantly reduced short of many months. We now need maximum incentive, but we fear that we cannot reform our system of incentive-smothering taxation without either withdrawing from the economy the support of federal disbursements or aggravating the inflation implicit in multiplied deficit financing. The several dilemmas I have described as slowly evolving over the long years are drawing into a central and perplexing focus.

I personally am certain that we have not passed a point of no return. The American Golden Goose is a tougher bird than most people

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realize. But I am entitled to a shiver as I attempt to point out how close we may be to a point of no return. I have tried to foresee an event which, if it occurred, would mark the passage of the point; and there is one that comes to mind. That could be the official abandonment in peacetime of competitive markets, which would be marked by establishment of comprehensive price and wage controls, rapidly and inevitably followed by allocation and ration controls. This would be the final abandonment of the system under which how much of what was to be produced, by whom, where, when, and at what price or wage, was determined by the voluntary and competitive choices of free men. In its place would be substituted the arbitrary decisions of an ever more powerful bureaucracy, motivated by political expediency and self-perpetuation.

I have tried, too, to foresee an event which, if it occurred, would mean that we need never reach that point of no return; and here one also comes to my mind. It is an intangible event, a matter of moral and spiritual attitudes to which I have thus far in these comments deliberately refrained from making an appeal. It is that we shall reawaken our realization of what a precious thing in the history of humanity is individual liberty; of the spiritual and material blessings that flow from its rigorous practice; of the means of obtaining it and maintaining it; of how easily and irrevocably it can be lost; of the spirals that could be spinning us into statism with resolution to halt them. It is, in short, that we shall remember and renew an historic high resolve "that this nation, under God, shall have a new birth of freedom." • • •

IDEAS ON LIBERTY

Abraham Lincoln

THE WORLD has never had a good definition of the word liberty, and the American people, just now, are much in want of one. We all declare for liberty, but in using the same word we do not all mean the same thing. With some the word liberty may mean for each man to do as he pleases with himself, and the product of his labor; while with others the same word may mean for some men to do as they please with other men, and the product of other men's labor.

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RICH MAN'S TAX

POOR MAN'S BURDEN

HAROLD BRAYMAN

FEW PEOPLE realize it, but 84 per cent of all the revenue obtained by the personal income tax comes from the basic 20 per cent rate and only 16 per cent of the revenue arises from progression. If the income presently taxed in excess of 50 per cent were taxed only at that rate, the direct loss in revenue to the government would be just $734 million, which is approximately one per cent of federal revenue collections.

If all progression were to stop, the encouragement to new enterprise would be so great that, after a slight time lapse, net returns to the government would increase because of an expanding economy and higher revenues from greater economic activity.

Let me illustrate. Although I shall not identify him by name, but refer to him only as Mr. X, this is an authentic case of a wealthy man who was approached by a group of people who wanted him and some associates to put up approximately $7,500,000 for a pulp and paper mill, which they proposed to build in the South a few years ago when there was an intense shortage of paper.

This was the equity capital in a total investment of $25 million, the rest of which a financial corporation was prepared to lend. The pulp supply had been located, the project had been carefully engineered, and it showed the probability of earnings on the total investment, after interest on the senior capital, of $2,500,000 a year. That would have been a 33 per cent return on the $7,500,000 risk capital investment – a very attractive proposal.

But the 91 per cent income tax to which Mr. X and his associates were liable compelled them to turn it down. They pointed out that if they undertook the project, it would mean first that the $2,500,000 annual earnings would be subject to a 52 per cent corporate tax. And then, with a normal payout of about 50 per cent of earnings in dividends, he and his associates

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Mr. Brayman is Director of Public Relations, E. I. du Pont de Nemours and Company. This article is excerpted from his address of November 7, 1958, before the Public Relations Society of America.

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would have had left, after paying their own taxes, a net return of 67 cents per $100 of investment – just two-thirds of one per cent. If the entire earnings were paid out in dividends, the net return would be only 1.4 per cent. "No, thank you," he said. "We couldn't take the risk to get that kind of a return." The plant never was built, and the paper it would have made is being imported from Canada.

Now, let us see who was hurt in this instance. Not Mr. X. He eats just as well as if he had gone into this venture. But the 500 to 700 people who would have been employed in the small Southern town where the plant would have been built, and which town, incidentally, needed economic stimulation, have been seriously hurt. Some of them certainly don't eat as well because the 91 per cent tax removed all incentive from Mr. X. The small businessmen and the people of the town have been seriously hurt, because they didn't get the stimulation of a new plant with all the payroll and all the purchases that it would have made in this community.

Now, how did the government make out? Did it get any more taxes out of Mr. X? Not a dime. But if the high-bracket tax rate had been low enough to tempt Mr. X and his associates, and the project had gone through, the government would have received a 20 per cent income tax revenue on the earnings of the 500 to 700 people thus employed. It would have received a corporate tax of 52 per cent on all earnings of the corporation, and income taxes from Mr. X on any dividends declared. And this would have been not just for one year but would have gone on continuously year after year.

The point is that, when you discourage initiative, you put brakes on the economy which hurt everyone – hurt government which doesn't receive revenue, hurt people who are not employed, and hurt small businessmen who don't get the stimulation of increased sales.

Every day across this country, instances such as this occur by the scores, if not by the hundreds, although most of them involve smaller amounts and fewer people. The fact is that people in these high brackets are not interested in acquiring income subject to such a tax if they have to take any risk at all to get it.

The 91 per cent rate hurts most, *not* the people who pay it or who even pay 50 per cent or 40 per cent or 30 per cent, but the people who never come within the length of the George Washington Bridge of paying it at all – the poorest and the most desperate in the country – those who are out of jobs because of this tax. • • •

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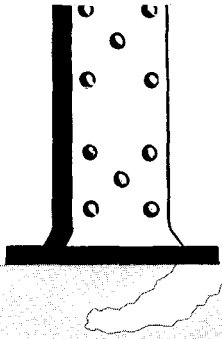

Inflation

IN UNDERDEVELOPED COUNTRIES

— a luxury the people can ill afford

ROMULO A. FERRERO

MANY PEOPLE TODAY, in industrially developed countries such as the United Kingdom and the United States, are concerned — and rightly so — with an inflationary situation marked by a 3 or 4 per cent annual increase in the level of prices. But so modest a rate of inflation would seem like stability in many underdeveloped countries. In Peru, for instance — though we've fared better than most of Latin America — inflation over the past 20 years, as measured by the cost of living index, has been at the annual rate of 11 per cent, compounded. The cost of living in Peru is 8 times as high as it was 20 years ago.

There is a widespread belief that free economies have a capacity to take "open" or "unsuppressed" inflation in stride without much harm. But the "open" inflation of the past 20 years has caused a great deal of harm in Peru, as in most underdeveloped countries. The following are some of the bad consequences I have seen in an official capacity of trying to cope with inflation:

Bond Market Killed

1. Inflation kills the market for all kinds of long-term bonds, making it exceedingly difficult, if not impossible, to obtain sound financing for major projects essential to economic development. If public works cannot be financed through the sale of government bonds to private investors, then the government resorts to "borrowing" from the Central Bank, which means outright printing of paper money — inflation. The housing problem, one of the most serious in under-

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developed countries, cannot be solved unless there is a market for mortgages. But there is no possibility of developing such a market under conditions of rapid inflation. Though authorities in Peru have increased the yield on mortgage bonds to a present rate of 9 per cent of face value, and granted tax exemption, it is difficult to find investors who will pay as much as 80 per cent of face value for such bonds.

Problems with Employees

2. Inflation not only curbs the supply of capital available for economic development, but it also upsets the labor market and makes for bad employer-employee relationships.

Underdeveloped countries are seldom backward in experiments with "welfare programs." Peru, for instance, boasts such "social benefits" for workers as service indemnity or severance pay, paid vacations or holidays, life insurance, sickness insurance, old-age and survivors insurance, profit sharing, health and welfare benefits, bonuses for employees with long service, workmen's compensation, and Christmas bonuses.

The cost of all these "benefits" is considerable, averaging approximately 50 per cent as much as the basic wage or salary. This added cost of labor means that basic wages are much lower than they otherwise could and should be, that workers are getting "social benefits" – often deferred – instead of more adequate food, shelter, clothing, and other necessities of the moment. Consequently, workers press for higher wages, which harassed employers find difficult to pay on top of the heavy tax burden of the Welfare State. Social legislation has been one of the most powerful engines for inflation in many countries that can ill-afford such luxuries.

Finally, inflation creates a problem with respect to pension funds and service indemnity reserves. There are no sound securities in which to invest such funds; inflation eats away the real value of the reserves; governments use the reserves of official funds to meet current expenditures. So these reserves add nothing to real capital or productivity or national income nor in any way help to relieve the burden of social benefits. Meanwhile, the poorly conceived benefits create friction between employees and employers. Pensions, based on length of service and on the employee's most recent wage level, tempt employers to discharge workers who are about to qualify and to hold wage levels down arbitrarily for older workers. Such problems multiply in time to break forth in open conflict.

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Lag in Utility Rates

3. Rates or service charges for public utilities never keep up with inflation and increasing costs. Political pressure prevents rate readjustment, with the result that services deteriorate and the utilities face physical breakdown. Nevertheless, public opinion strongly, and wrongly, opposes increased rates.

Depreciation Allowances

4. Tax authority allowances for depreciation of fixed assets, on the basis of original cost, fail to recognize the declining purchasing power of the monetary unit. This represents, in effect, a drastic increase in the rate of income taxes. The "excess profits" tax becomes, in reality, a confiscation of capital; and the replacement of worn-out tools and equipment becomes a major problem for businessmen.

Misdirected Investments

5. Rapid inflation encourages speculation and misdirection of investments. There is a marked preference for deluxe apartment or office buildings or other real estate as a hedge against inflation. Foreign exchange is purchased, which means correspondingly less investment in the domestic economy. Investors turn to the accumulation of inventories to benefit from price rises instead of starting businesses of their own or helping to finance further industrial development.

Regulation and Controls

6. Sooner or later, rapid inflation leads to all kinds of governmental regulation: price control, rent control, wage control, import control, exchange control. "Open" inflation thus becomes "suppressed" inflation. Exports are particularly discouraged because internal costs rise while exchange control unduly depresses selling prices. To add insult to injury, the exporters are blamed for the "shortage" of foreign exchange and the devaluation which inevitably must come. The loudest cries against exporters come from the very ones who had pressed hardest for the monetary policies and other governmental interventions that caused the inflation.

The inevitable result of all these controls is reduced production of the things most needed, these being the favorite targets of control: housing, food, public utilities, exports. Shortages develop. The international balance of payments is unbalanced. Exports decline. More and more foodstuffs have to be imported. Saving is discouraged. Investment is misdirected. Economic development is retarded. • • •

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Jobs FOR ALL

PERCY L. GREAVES, JR.

LIFE IS an unfinished series of wanting things. From the day we are born to the day we die, we want things we don't have. If we didn't, we wouldn't be normal human beings. We would have no reason to eat, work, or get married. All life is a struggle to satisfy more of our wants.

As our society is organized, the normal way to get more of what we want is to take a job. Then we can use the dollars we earn to buy more of the things we want for ourselves and our loved ones. Without a job, or a business of our own, we would all have to grow our own food and make our own clothes as well as anything else we wanted. Taking a job where we can use tools supplied by savers is the easiest way for most of us to satisfy more of our wants.

So most men want a job. To be without a job is most depressing. Continued unemployment, through no fault of one's own, is probably the darkest future any man can face. Such longtime mass unemployment is one of the great curses of our age.

The human misery, degradation, and moral temptation are not all. Besides these setbacks to the human spirit, there is the great unseen loss of the wealth the idle might have produced if they had been employed. This loss is shared by all. In a market economy every dollar holder can buy a share of the total wealth offered for sale. The greater the wealth produced and offered for sale, the more anyone can buy with each of his dollars. So we all have a stake in reducing unemployment and encouraging the production of more of the things men want most.

Yet millions of able and willing men have recently remained unemployed for months on end. What is the answer?

Let's use our heads. When we want to sell something, we sell it to the highest bidder. He buys it for the lowest price he can. That is what happens at auctions every day. It happens at the corn and cotton markets as well as the stock exchanges. Even the grocer

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with perishable fruits and vegetables reduces his prices until a highest bidder buys them.

That way, the seller gets the highest anyone is willing to pay, while the buyer pays the lowest price any seller will freely accept. Both buyer and seller get the highest possible satisfaction from every transaction. That is the way of the free market.

There is no reason why these same free market principles can't be applied to the services of working men. It would be very simple, requiring only two things. First, let every job seeker choose that job which offers him what he considers the best returns he can get for the services he has to sell. Second, let every prospective employer choose those job seekers who offer what he considers the best services he can get for the wages he can pay. Competition would soon see to it that no one was paid too much or too little.

Of course, such a simple solution would put an end to all privileges for those now overpaid. No union would then be able to hold up employers and consumers for more than they need pay in a free and competitive market. By forcing some wages above free market rates, some unions now get higher wages for their members than such workers would receive in a free society. But these forced higher wages for some mean that others must accept lower wages or unemployment (unless the government resorts to inflation). These lower wages and unemployment (as well as this pressure for inflation) would disappear if every man, including the unemployed, were free to compete for every job. As long as some of men's wants remain unsatisfied, there will be enough jobs to go around.

A free job market would provide "full employment" and greater production of the things men want most. Competition might drive down some dollar wage rates, but living standards would have to be higher. With more goods and services competing for every dollar, prices would be lower and everyone with a dollar would be entitled to a share of the increased production. Those now overpaid might temporarily suffer, but in the long run we would all be able to satisfy more of our wants.

With a free market in jobs, every man would be free to take the best offer available. Every employer would also be free to hire the applicants that pleased him most. No one would remain long unemployed. There would be jobs for all, more wealth produced, and a greater satisfaction of everyone's wants. What is more, the economic loss and dread of unemployment would evaporate. • • •

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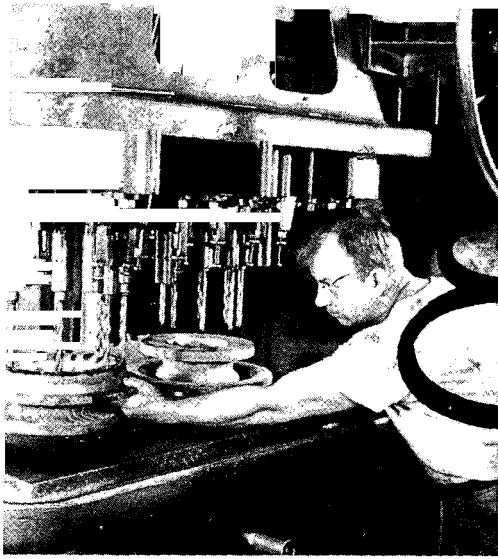

Ewing Galloway

WILLIAM ALVADORE BUCK

Emancipation by Machine

The myth of mass-production slavery

ROBOT, rabbit, wreck, slave of the machine! How many unflattering epithets have been applied in modern times to the factory worker, the "poor wretch" who contributes essential manpower to industry's "dark, Satanic mills."

The anathema hurled at the factory, the machine, and quantity production started long before Samuel Butler described Erehwon (spell it backwards), the land where machines were forbidden and a long prison term was the penalty for constructing as tiny a machine as a watch.

The scare story is still current around the world, nourished by the Kremlin, that soon Americanization will set in all over and every worker will become a slave on the assembly line, while his wine or beer will be turned into soda pop. Mass production, according to some self-anointed egg heads, is the worst and final blow to man's dignity and creative life. Such is the line the Soviets preach wherever it looks good, even while building mass production in the homeland as fast as they can.

This is fancy stuff in the same package with sea serpents and the Loch Ness monster, as all of us should know; and one day as I stepped from a union headquarters into the dazzle of New York's Broadway, it seemed to me that this monster could and should be crushed.

All right, let's do so here and

Mr. Buck is a free-lance journalist, editor, reporter, and author. He has written for numerous magazines, including *Partners*, where this article was first published in November 1958.

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now – shredding as we go, themes by Thorstein Veblen and advanced by Chaplin's film, *Modern Times*.

Tracking Down Figures

To begin with, we may ask, exactly how many Americans work at what is thought of as a typical mass-production job – where the operation is repetitive and broken down into simple, constituent motions, amounting to machine drudgery – whether on the assembly line or elsewhere? No one, I found, has ever counted them. I therefore started working down from a Bureau of Labor Statistics figure for a recent year.

That year, there were 13,174,000 production workers employed in the land. I subtracted figures for those industries, such as lumbering, where narrowly repetitive operations do not exist. I found many stray figures that helped. In a Brooklyn tool plant, for example, 25 of 156 employees worked at "robot" jobs; in an auto assembly plant of 1,800 only 1,068 actually worked on the line. After several hours of diligence, I reduced the total figure to 2,500,000. It cannot be far wrong, but to confuse doubters, let us call it 3 million. I was as surprised as probably you are.

That particular year, there were 66 million employed in our nation, this "land of mass production," where everybody soon will be serving a machine. From this it is clear that only one in 21 held down what we think of as a mass-production job. Would it not be more polite, then, to call us a nation of "craftsmen, foremen, and kindred workers" – since the Bureau that same year placed 8,825,000 in that classification? Or a nation of "professional, technical, and artistic workers," whose figure was 6,445,000? Or of "managers, officials, and proprietors" – 6,648,000? Or, nearest of all, a nation of college people, considering that today some 20 million of us have graduated or at least managed to shy through from a year to three years of college work?

Where Are Our "Robots"?

Now, let's take after that word "robot." The three million include few who ache to resign, few miserable wretches, and many happy fellows. Psychologists tell us that many people are so constructed that assembly-line work is precisely their isle of content, and these are not always the least intelligent. Certainly there are three million in our population who can be well-satisfied on the line or in another such job; and doubtless, in this land of opportunity and movement, these are by and large the very people who are working there as "robots" – more or less.

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I once watched the assembly line at a Caterpillar Tractor plant, and it seemed to me that this was a rather gay place. The "Satanic mill" belonged on another planet; here, by contrast, was light and dramatic activity. No one was in a great lather. One man on the line remarked, "Oh, we gabble a lot and have a good time." A man in Personnel told me, "Most of the men on the line are there because they want to be, I have no doubt. Maybe all. They say you can get into the swing of it."

I know the name of a young milling-machine hand in a tool plant who turns out 15,000 small parts a week. It would drive me into dementia, a deadly job. But this fellow slips his brain into neutral, so to speak, snaps on the radio at his bench, and there is his valley of contentment, his green pasture. He has been there for years, though he has been offered a transfer. He owns a bigger and slicker convertible than any officer of the company.

"Chains" That Do Not Bind

Few men are fastened to the assembly line with chains, chains of iron, gold, or duty, according to the sentiment at Plant X, the auto assembly plant studied by Charles Walker and Robert Guest of Yale and reported in their book, *The Man on the Assembly Line*. Men do know how to move. Up or out. The authors of the study noted that the quit rate for the line was higher than for other departments.

It is true that the Horatio Alger Thruway from file clerk to president is not as open as it once was. To create a modern factory, organize its teamwork, and run its production requires much education, high ability, and special training. But a booming industry is always starved for talent; hence, most companies offer their employees training opportunities and any lad with a wee drap of ambition will find himself moving without straining a button.

The three million include few who repeat one operation day after long day, as did Charlie Chaplin in *Modern Times*. Walker and Guest found that only 32 per cent of the men on the line at Plant X performed a single operation. Moreover, there were some, like the repairmen, who were highly skilled. Peter Drucker – one of capitalism's deep, scientific worriers on this personnel subject – has said that monotony is not a problem in a modern plant. He also has written that, even on the line, the American factory furnishes the worker with "status and function" to an astonishing degree.

The truth is, the "rabble theory" – the theory which energizes all

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totalitarianism and which still appears alive elsewhere in the world – is rare in the American front office today. Long ago, the production boss liked to talk of the factory hand as a part of the machine: "Give him enough money to get drunk on Saturday night, and no responsibility, and there you have the whole book of industrial relations." Such arrogance, we know now, is folly, triple-crowned. The wage-fighting buccaneer of business is no longer admired. The early communists never dreamed that this change of heart and understanding could happen. But it has happened – and affected all of us from housewife to mine foreman, from jockey to newsland's copy reader. That is why Marx's egregious proletariolatry appears so idiotic, so antique, in American eyes.

A man can speak up in the factory as on any other job, and the most exalted ears will hear – sometimes. A worker for great Cadillac or Ford is a man of dignity and substance and can pose with a man's proper self-esteem as he spins genial yarns over a Hamtramck bar. Some actually exaggerate the pressure on the assembly line and brag that they enjoy the excitement of keeping up the pace. The last thing the "poor wretch" asks for is your pity – except on income tax day. He bears no more kinship to the peasant or proletarian of Soviet myth than he does to one of Khrushchev's gorillas.

A Backward Look at the Guilds

We can find a useful comparison here if we match our manufacturing times against the great time of the guilds. Some utopiates talk as though the workers of olden times were all sculptors of Gothic cathedrals or talented silversmiths and argue that the modern age has degenerated these great artists into the poor robot who can accomplish little more, between sweats, than swallow a mug of beer in a toast to Walter Reuther. Somehow, we must find our way back to those golden days of yore, they urge.

But who, in truth, were these guildsmen? When the reek of the Middle Ages began to clear from men's minds, nearly all Europe was agricultural and feudal; the common man was a slave, owned as much by his land as by his lord. A few commoners worked for the lords directly, and for once in history, the wage and servant problems were under control. In the year 1300 A.D., for example, a maid at Forncett Manor in England received a 100 per cent boost in wages, from one shilling to two shillings *a year*. Clearly, the lord of Forncett did not want to burden

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the soul of his vassal with too much purchasing power.

After the world failed to end in the year 1000 A.D., as all Christendom expected, the upsetting thought entered some rebel heads that a Christian might own himself. A flight to freedom began and continued for centuries. The cities grew by a process of natural selection. The runaways were, no doubt, the less homeloving and churchly, but by no means country riffraff. On the contrary, as Lewis Mumford wrote, "the Medieval city gathered to itself the more skilled, the more adventurous – probably the more intelligent – part of the rural population." These, the distinctly successful types, formed the guilds. In Queen Elizabeth's time, we know that a large number of the guild apprentices in London were younger sons of the country nobles. There never were many guildsmen.

As the guilds rolled into their great days, the ordinary Tom and Jerry had no more chance to get into the organization than into the Duke's iron pants. Even the journeyman who had completed his apprenticeship waited long for his chair in the almighty lodge and often never made it. The guilds' ruthless control over wages, competition, apprenticeships, and prices make our ideas of monopoly today look like galloping socialism. The guilds had power. Sometimes they chivied the king or queen into passing laws which decreed exactly what guild-manufactured garments people in this or that class must wear!

While the guilds perfected their legal squeeze on the pocketbook of the citizen, feudal society fell apart under the pressure of new ideas and a new agriculture. Former serfs flocked to the towns by the thousands, many driven from the land by the "enclosures" and the demand for wool from Holland.

A truly Oriental destitution became the normal life for myriad folk. A quarter of the city people of Europe were casuals and beggars; half of the citizens of Paris were no better than that. Begging was an accepted way of life. The most brutal police action could not control piracy and crime. Before science and industrialism changed the earth, smells of vast burden lurked in city ways and dirty death flowed in the open sewer that was the street. For centuries bands of outcast syphilitics roamed Europe in despair and rags, criminals and beggars without a choice. It was considered a nice pastime, when the guildsmen had their power, to slip a couple of hard-boiled eggs into your pocket and go to watch the public torture of criminals. There were 200 capital crimes in

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English law. Even as late as the nineteenth century, women and children labored in English coal mines, naked as Hottentots. The guilds had perished before that – in the eighteenth century – in a rolling boil of public hatred.

The simple fact is, the factory system – and later, mass production – abolished far more human drudgery than they created. Dragging an oar in a trireme, chopping cotton, carrying the hod, keeping an overstuffed Victorian house clean, loading coal by bucket or barrow, plowing with your wife in the ox-yoke, and many another old unhappy burden has been lifted from man's shoulders by the machine. The factory has created incredible abundance and has lessened the problem that was never to be completely solved – poverty. When Aristotle, poking fun at liberal ideas, stated that men would be able to free slaves "when the shuttle wove by itself," he *knew* what was possible and what was not. But what would Aristotle today think of nylon stockings, not only on the limbs of queens and court ladies but also on the weaver and her daughter as well! We do the impossible today and slavery has vanished from the civilized world. In many ways the machine has made all of us free men.

It has done more than that. For where do the children of today's counterparts of the old guildsmen go for their apprentice training – along with many a son of the shanty and many a son of the manor? To college, of course! Indeed, we have not changed the guildsman into a faceless robot; we are changing him into a doctor, a flight engineer, a research chemist, a lawyer, a teacher – and, sometimes a second fiddle in a symphony or a third baseman for the "Giants." I'm sure that none but a mass-production economy could give 20 million citizens a freshman's dink to wear for a while. Nor could any less productive system provide for 6,448,000 in the professional, artistic, technical, etcetera, category.

A Realistic Appraisal

Those who quarrel with American materialism from far away and little ken should stare at this figure and let its significance really sink in. For it shows, as specifically contrasted with the guildsman's craft accomplishment, a shift of desire and fulfillment from material production to the direct promotion of the art of living. A Gothic cathedral is a great achievement in man's aspirations, but it is not greater than an electronic brain, a philharmonic orchestra, or a well-baby clinic. Certainly, following Abou Ben Adhem,

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we can love our fellow man with enormously greater capability than society could manage in the days when Queen Elizabeth decreed that everyone in a certain station in life must wear a beaver hat, and beggars were licensed and assigned territories by law.

As all of us surmise, automation soon will take over the great share of the drudgery involved in mass production. As this development progresses, the worker tends to become more and more a skilled supervisor of production. Being human, the worker of tomorrow will have problems to contend with. But they will not be problems of slavery – such as Karl Marx envisioned in his fatuous Mumbo Jumbo. Most likely – in America, at least – they will be the problems of a physical freedom that seems too boundless. The American worker's spiritual emancipation – what he does with his improving health and leisure – will be strictly up to him. If this be slavery, let *Pravda* make the most of it.

Our machines show no tendency to become our masters; on the contrary, their developing role is to take over human drudgery as our good and faithful servants. • • •

THE DEVIL'S WAGES

Of possible concern to civil servants and other feeders at the public trough

NATHANIEL HAWTHORNE

AN EFFECT – which I believe to be observable, more or less, in every individual who has occupied the position [Custom-House officer] – is, that, while he leans on the mighty arm of the Republic, his own proper strength departs from him. He loses, in an extent proportioned to the weakness or force of his original nature, the capability of self-support.

If he possess an unusual share of native energy, or the enervating magic of place do not operate too long upon him, his forfeited

This excerpt from his Introductory to *The Scarlet Letter* (1850) presumably reflects Hawthorne's personal reactions upon losing a position as Customs Inspector.

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powers may be redeemable. The ejected officer – fortunate in the unkindly shove that sends him forth betimes, to struggle amid a struggling world – may return to himself, and become all that he has ever been.

But this seldom happens. He usually keeps his ground just long enough for his own ruin, and is then thrust out, with sinews all unstrung, to totter along the difficult footpath of life as he best may. Conscious of his own infirmity – that his tempered steel and elasticity are lost – he forever afterwards looks wistfully about him in quest of support external to himself. His pervading and continual hope – a hallucination, which, in the face of all discouragement, and making light of impossibilities, haunts him while he lives, and, I fancy, like the convulsive throes of the cholera, torments him for a brief space after death – is, that finally, and in no long time, by some happy coincidence of circumstances, he shall be restored to office.

This faith, more than anything else, steals the pith and availability out of whatever enterprise he may dream of undertaking. Why should he toil and moil, and be at so much trouble to pick himself up out of the mud, when, in a little while hence, the strong arm of his Uncle will raise and support him? Why should he work for his living here, or go to dig gold in California, when he is so soon to be made happy, at monthly intervals, with a little pile of glittering coin out of his Uncle's pocket?

It is sadly curious to observe how slight a taste of office suffices to infect a poor fellow with this singular disease. Uncle Sam's gold – meaning no disrespect to the worthy old gentleman – has, in this respect, a quality of enchantment like that of the Devil's wages. Whoever touches it should look well to himself, or he may find the bargain to go hard against him, involving, if not his soul, yet many of its better attributes; its sturdy force, its courage and constancy, its truth, its self-reliance, and all that gives the emphasis to manly character. • • •

IDEAS ON LIBERTY

Federal Aid

A POWER over a man's subsistence amounts to a power over his will.

ALEXANDER HAMILTON, *The Federalist*

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A timely reminder of the message tolled by the

Greatest Bell in the World

M. ROBERT BEASLEY

AMONG the vast numbers of great Americans recorded in history, few stand out more nobly or command more reverence and respect than the "proclaimer of liberty" enshrined in Independence Hall at Philadelphia – the Liberty Bell. Though its voice may now be silent, the prophetic inscription, PROCLAIM LIBERTY THROUGHOUT ALL THE LAND UNTO ALL THE INHABITANTS THEREOF, chosen from Leviticus 25:10, is to be found proudly emblazoned around the crown and echoed in the hearts of all true Americans.

Mounted on a mahogany truck equipped with smooth-rolling casters, so that it might be hurriedly moved in case of national emergency, this great bell is a lasting symbol of the hardships, bloodshed, and torture experienced by our forefathers. It has earned a position of honor, along with the Declaration of Independence and the Constitution that were first proclaimed at Independence Hall.

Hanging from a beam of solid, hand-hewn black walnut, it is jealously guarded 24 hours a day by armed officers. Thousands of Americans gaze in spine-tingling awe each year upon this famous bell, seeing in it the symbol that makes worth-while our personal sacrifices. Touching it is a reverent privilege constantly sought by many. You can see the look on the faces of spectators, like flags hung out in front of homes. It is in the presence of this great symbol of patriotism that we can feel the proudest of our citizenship.

Like many of the early patriots who fought for liberty, The Bell was born in England. The inspiring words that shine from the crown were chosen by Isaac Norris, Speaker for the Assembly of the Colony of Pennsylvania. Step by step he fought for American liberties, and while his sacri-

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Mr. Beasley is a free-lance journalist who has written for *The American Home, Better Homes and Gardens, Popular Mechanics, Successful Farming,* and numerous other magazines.

On the Cover: *The Liberty Bell as it appears today in Independence Hall, Philadelphia. The circumference around the lip is 12 feet; around the crown, 7 feet 6 inches. From lip to crown measures 3 feet, and the clapper is 3 feet 2 inches long. The metal is 3 inches thick at the lip, and the overall weight is 2,080 pounds.*

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fices were great, he did not live to hear this Bell ring out the verse he had so carefully chosen.

Norris was appointed chairman of the committee to procure a bell that could be "heard far and wide." The "New Province Bell," as it was first called, was ordered from the Colonial Agent of the Province in London, and cast by Thomas Lister of Whitechapel, London, arriving at Philadelphia in August 1752. It was tested in the State House Yard (now Independence Square) during the next month. But perhaps times were not yet ready for liberty, for when the first stroke of the clapper hit the side, the Bell cracked!

Required Repairs

Charles Stow and John Pass, considered ingenious bell makers from Philadelphia, were commissioned to repair the crack. Despite their combined talents, the fracture could not be corrected. The English bell was then broken up and remelted. Their first attempt to recast The Bell ended in failure, and without being publicly tested, the model was put back into the melting pot. After several months they presented a beautiful replica of the English model; but when it was tested, everyone was aghast at the horrible tone that came forth. Stow and Pass again remelted the metal, this time adding one and one-half ounces of American copper to each pound of the metal. This, they soon discovered, was the answer to the problem. For after all, how could such a great American symbol be made entirely from English metal?

When the third model, containing the American copper, was tested, it met with instant approval of everyone in both sound and appearance, and was enshrined into position at the State House during June 1753.

Philadelphians rejoiced when their bell was hung into place at last, and they utilized its golden voice on every possible occasion. Neighbors complained of the brazen tumult, while architects feared the vibrations would unsettle the graceful bell tower. But the ringing continued, announcing occasions of joy and sorrow, or summoning the citizens to the public square to hear news. It was both the town crier and the newspapers.

It spoke to the people and for the people, for there is no musical instrument so democratic as a bell. Its single tone expresses unison. And the Liberty Bell is the great voice of this great nation — a voice which no other on earth can shout down, or command to be silent.

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The noisy days of The Bell's youth were stirring, turbulent times. The colonies were increasingly aroused by the encroachment of the British government on their hard-bought New World liberties. The Bell was forever tolling alarm and excursion.

This bold young American Bell called the Convention of the Philadelphia Assembly and later bid good-bye and God speed to Benjamin Franklin, as he embarked for England in 1757, carrying with him a petition of grievance from the Colony.

It rang, muffled, in 1765 as the *Royal Charlotte*, with a protecting man-of-war, came bearing those hated tax stamps up the Delaware River. When Parliament forbade the Colonies to manufacture iron and steel, hats, and woolen goods, The Bell roared forth the national rage. It was muffled again, in sympathy, when the port of Boston was closed by the British.

Nine months later, on April 25, 1775, it brought people flocking to the public square to hear how the Redcoats had been routed at Lexington six days before. Now indeed, the great bronze throat truly "proclaimed liberty."

Contrary to popular belief, the Liberty Bell did *not* ring on July 4, 1776. The Declaration of Independence was accepted by final vote on that day, but it was not until July 8 that it was publicly proclaimed by Colonel John Nixon in front of Independence Hall.

It was on this day that The Bell rang forth with the booming, crystal-clear voice to announce to all freedom-loving men that their new nation had been officially born. They laughed and cried as The Bell spoke out – but everyone listened. All through the day and night it recited the message through the joyous streets of Philadelphia: "Proclaim liberty throughout all the land unto all the inhabitants thereof." Even above the noise of jubilant citizens firing muskets and shooting fireworks, the resonant voice of The Bell was heard.

The big bronze crier was not allowed to rest in its tower. In September 1777 it became apparent that the British were going to take Philadelphia, and Congress ordered The Bell removed. It was conveyed with the heavy baggage of the American Army in a supply train of 700 wagons, guarded by 200 North Carolina and Virginia cavalrymen. During the wild flight over almost impassable roads, the wagon that was carrying it broke, throwing The Bell to the ground for a terrible fall. But it was undamaged. At last it was smuggled to safety in Allentown, where it was secretly buried beneath the floor of the Zion Reformed Church,

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there to remain in Free Soil for the remainder of the siege.

Independence Hall was made a prison for patriots; and had The Bell remained there, it might very well have been melted into a gun to be turned against American patriots.

It was returned to its place in Independence Hall on June 27, 1778, later to clang joy over the surrender of Cornwallis in 1781. Later, it rang in bereavement for the death of George Washington. It joyously bellowed forth the election of Thomas Jefferson, and then sounded hushed tones in mourning for the deaths of Hamilton and Lafayette. On July 4, 1826, it pealed forth the fiftieth anniversary of the Declaration.

Retirement with Honor

Then, on July 8, 1835, the fifty-ninth anniversary of the date when The Bell first proclaimed liberty, it was rung in memoriam as the body of John Marshall was being taken from Philadelphia to Washington. There was a magnificence in the scene as the great Bell rang out the inspiring words that would for all time stir men's hearts and souls. For the last time it rang forth – and then The Bell cracked – never to peal out its wonderous messages again.

But never again to be silent, for it is the incarnation of our political freedom. It has traveled more than 20,000 miles on exhibitions, riding in specially prepared and guarded flat cars. In little towns through which it has passed in the night, people have lit bonfires along the railroad tracks so that they might get a glimpse as it rolled slowly by.

It was most fitting that on D-Day, June 6, 1944, the people of America were again to hear faintly this majestic voice of freedom. During a radio broadcast by Mayor Bernard Samuel of Philadelphia, the great Bell was first tapped with a rubber mallet 12 times – once for each letter in the word "Independence"; at the close of the program, it was again tapped with the mallet, this time with 7 strokes – once for each letter in the word "Liberty."

Though the Liberty Bell is not a person, it is indeed a hero that was born in our greatest hour, lived through our glorious youth, retreated, advanced, sang, shouted, fought, and fell in the line of duty.

The Liberty Bell is an American symbol – great, like Washington, Jefferson, Lincoln – yet plain, like any of us, or all of us. It is the only Bell in the world in whose presence any man, regardless of race, creed, political belief, or wealth, will solemnly take off his hat and feel, as well as show, true respect. • • •

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They Said It Couldn't Be Done

A job that didn't wait for the government to do

RALPH BRADFORD

A good friend of mine who was postmaster in a Southern city once scandalized his fellow office-holders by asserting that the Post Office Department could be run more efficiently and at less cost by a private company.

Others outside the government have held the same view; and there are those who believe that many of the functions staked out for itself by government could be done better and cheaper by private enterprise. Indeed, there are certain emancipated thinkers who can take even the sacred cow of education by the horns and make a convincing case for getting the government out of education.

All such doctrine is, of course, rank heresy to devoted interventionists, and even to many who are not truly interventionists, but who have been reared in the tradition that certain things are "just naturally" the function of government. Custom, habit, inertia, the

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pattern of accepting things as they are – all this has conditioned our thinking about such matters.

Even the man who inveighs most loudly against the inefficiencies of the Post Office Department – its antiquated methods, its failure to modernize, its delayed deliveries, its rising costs, its annual deficits – is not proof against the habits of a lifetime. If you suggest to him that a private corporation could probably do a better and cheaper job with the mails, he is quite apt to look at you as though he thought you were crazy.

Certain things, in the general concept, are "just naturally" a job for government; and if you want to retain your reputation for sanity, you'd better not go around making assertions to the contrary! For instance, if I said to you that the fire fighting function of the modern municipality could be handled cheaply and efficiently – and at a profit – by private operators, what would you say in reply?

Why – obviously that's the sort of service that offers no attractions or inducements to private initiative. Don't be silly. Can you imagine anybody operating a fire department at a profit? Or, if he did, he would have to charge exorbitant rates. That's a job that "just naturally" falls to the municipal government.

So? But did you never hear of the Rural Fire Protection Company of Phoenix, Arizona? If not, here, in brief, is its story – a story of private enterprise operating profitably and efficiently in "government territory"; a story of fire fighting for a fee – and, of course, a story about a thing that just naturally couldn't be done.

Louis Witzeman

Like most successful enterprises, it began with and centers about a man. His name is Louis Witzeman. He is a former newspaperman who bought a house about ten years ago in a suburb out on the desert north of Phoenix – "out on the desert" being localese for any spot outside the big irrigation ditch that goes around the four sides of the city proper.

But when Witzeman moved in, he found that he was without municipal fire protection because his suburb was outside the city limits. His neighbors, of course, were in the same fix – and so he began to do some thinking. An idea took form, and he discussed it with a few people around the community.

The idea was that of a privately owned and operated fire department with Mr. Witzeman as the entrepreneur! Crazy? Of course! Any fire department official could tell you that fire fighting is no proper job for private enterprise.

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It is altogether too risky. The equipment is expensive and complicated. The occupation is highly hazardous. Nobody could expect to carry on such a "business" except at a loss. Emphatically, it was a thing that just couldn't be done.

There Were Problems

Incidentally, I asked Louis Witzeman if anybody told him that when he was getting started. He replied: "Yes, they said it couldn't be done – and they were almost right!"

So there were problems – just as there would have been if he had been starting a lumberyard or a printing shop; but in this case the problems were aggravated by the inertia of popular thinking. Nobody would have assumed that a lumberyard or a printing shop could be operated better by the government. But fighting fire – that was different!

I asked Mr. Witzeman what the most difficult problems were and he started off (as was to have been expected) with: "Finances" – and he added: "We only had $1,600." Not much of a shoestring on which to launch a business that was doomed to failure anyway!

But he persisted. His plan was simple. Instead of taxing themselves to create and support a fire department, the householders in his area would contract to pay him a monthly fee or retainer, in return for which he would undertake to give them adequate fire protection.

Simple – yes; but it took some doing. "It was an educational program," Witzeman told me. "People had never heard of a private fire department and were leery of signing up. Some also thought of it as a racket."

In spite of all this, he succeeded in selling $10,000 worth of contracts in advance, putting the funds so raised in escrow with a bank – an achievement which, measured against the sales resistance encountered, must be a record of some sort. To be sure, the people had no fire protection and he was offering them something in place of nothing; still and all, it wasn't a proper field for private initiative; and it probably couldn't be done! But finally it *was* done, and a new type of "business" was on its way – to possible success in the view of a hopeful few, to almost certain failure in the judgment of most people.

But the rejoicing was not universal. Since this suburban fire fighting effort would probably reduce the fire hazard for the city proper, as well as in the semirural area covered, one would have expected the city officials of Phoenix to be happy that Witzeman had set up in business. I said as much to

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him, and asked him if my assumption were correct. His reply:

"Like hell they were! You see, we slowed down their annexation program. Now, however," he added, "we work for them. They hired us to take care of their recent annexations because our insurance rate reduction was favorable, and interim protection was needed until they could set up their own services."

Steady Growth

The new venture started out in 1948 with a fire station and one truck; but if you are envisioning a continued small-time operation or makeshift equipment, you couldn't be more wrong. In ten years it has grown to a four-station, eleven-truck fire department; and they are now in process of building a new, central station for eight trucks. It is equipped with modern, high-pressure fog fire trucks, and boasts that it was one of the first nonmilitary departments in the state to use this kind of equipment. Only the municipal departments of Phoenix and Tucson now exceed the Rural Fire Protection Company in size and equipment. It now has trucks, real estate, buildings, and miscellaneous assets which Mr. Witzeman estimates are worth in the neighborhood of $300,000, and he adds that they are almost all paid for.

The company has twenty full-time employees and employs twenty others on a part-time basis. There are ten who work nights or "per fire" only. In the Witzeman parlance, these latter are "sleepers." The full-time firefighters are well trained and equipped with the latest paraphernalia for efficiency and safety. At its headquarters the company has complete living quarters for the fighters, an office, an alarm desk, and its own three-way radio network. It serves subscribers on an annual fee basis.

As this is written, I do not have the figures for 1957, but in 1956 the company responded to 1,229 alarms. The value of the property involved in these fires was nearly $8,000,000. The actual loss of property for that year is reported as $636,000, or approximately 8 per cent, which means that about 92 per cent of the property was saved. As a layman, I know little of the meaning of such statistics, but I am told that they rate very high in the experience of fire departments.

What Does It Cost?

The question that interests everybody, of course, is, "What does it cost?" For the special information of those who are accustomed to measure the cost of public services in terms of government-sub-

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sidized electric utilities, where taxes and other normal cost items are often disregarded, I asked Mr. Witzeman about the cost of his service per subscriber, as compared with the cost in taxes per citizen of the average municipal fire department. His reply will surprise many people, especially those who think that a private company rendering a public service will "just naturally" charge more than a government-owned facility will charge.

"Our per-capita cost," he said, "is lower than any in the state that is recognized by the board of fire underwriters." And he added: "Our insurance reduction is equal to the lowest nonmunicipal reduction west of the Mississippi."

Opportunities for Free Men

Now it is not the purpose of these paragraphs to urge ambitious young men to start private fire departments in a field that is already largely pre-empted by municipal monopoly. The point of this article is that a man in Arizona has demonstrated a thing that is too often lost sight of in a generation dominated by the philosophy of supergovernmentalism. It is this: That no field of human activity or service is reserved by either logic or necessity for the hand of government alone. He has shown that when government monopoly does not exist, even the specialized and somewhat risky job of fighting fires can be handled cheaply, efficiently, and with profit by private endeavor.[1]

Certainly his experience should give pause to those who assume that certain economic functions are "just naturally" or properly governmental in character. That assumption was made long ago about the handling and delivery of our mails. As a result, that assumption is pretty generally accepted. But if a contrary assumption had been made at the beginning, today we should have one or more corporations handling the mails, using the latest machinery, paying taxes, earning dividends, and almost certainly giving better and cheaper service than we get from our state-operated mail service.

If this appears to you as a far-fetched assumption, take the case of the telephone. Here is a service that is one of the modern marvels, developed entirely without government aid and operating a nationwide and complicated network. It is seldom that one hears a word of criticism of either rates or service. But suppose Alexander Graham Bell had been told that only the government could develop the

[1]See also, "Fighting Fires Privately" by F. A. Harper in the August 1958 issue of *The Freeman*.

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telephone properly. After all, it is a form of communication, just as the mails are. If that decision had been made, today we should have a state-owned telephone system – and most people would be assuming that it was "just naturally" a proper sphere for governmental rather than private operation.

But does anyone think we should have a better service? If so, let him pay a visit to the nearest post office and take a look at the way it is run – or let him compute the length of time it requires to transmit a letter from Washington to New York!

And what about aviation? If the Wright Brothers and the other pioneers had believed that the utterly new, difficult, and extremely hazardous adventure of conquering the skies was "just naturally" a job for the government, and if the State had taken over at that time, we should today be riding in state-operated airplanes – and most people would be assuming that aviation was not a proper field for private enterprise.

But does anyone dream that the equipment and service would be better? If so, let him take a ride on a government-owned train in England or France or Argentina.

Fire fighting, after all, despite its occasional hazards, is relatively simple when compared with the vast intricacies of the airplane and the telephone, or with the electronic wizardry of radio and television. If these could reach their present stages of efficiency and near-perfection under private skill and initiative, can anyone doubt that fire fighting would have fared equally well?

A Working Model

If anyone does have such doubts, let him visit the Rural Fire Protection Company of Phoenix and see what private initiative has accomplished. And what was the motivation for that enterprise? Did Louis Witzeman start his company to prove an economic principle or teach a lesson in freedom? Certainly not. He set out to do a needed job for his suburban area – a job that he believed could be made serviceable for his neighbors and beneficial for himself.

But in the process of succeeding, he has demonstrated the inexhaustible vitality of human enterprise and ingenuity when left free to operate untrammeled and uncoerced. Concerning the limitless ability of man to invent and achieve we never need to have any doubt, because all about us on every hand we find the evidence to support this faith. • • •

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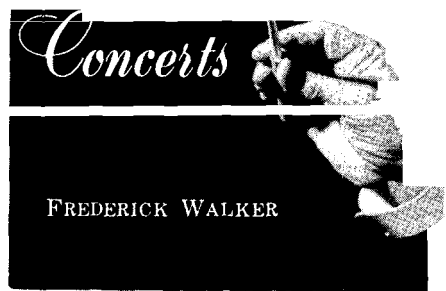
Reflections on Concerts

Is music-making a function of government?



FREDERICK WALKER

Ewing Galloway

WHAT ARE the functions of government? This is a simple enough question, but how many people pause long enough to ask it in these days when governmental activity is entering our lives from every possible direction. Is there a limit to the functions of government, or is government to expand until it covers all human action? This is one of the most serious problems of the twentieth century; and while a man may ignore it in his thoughts, he most assuredly will not evade it in his practical life.

Two recent experiences clearly presented to me this problem of state functions in what is possibly its most innocent and enjoyable form, music. One was in Bethlehem, Pennsylvania, where I heard the famous Bach Choir; the other in Edinburgh, Scotland, at the annual Festival, the greatest in Europe. Ordinarily, the enjoyment of two of the greatest musical events of the year would not motivate one to consider the functions of government, coercion, and the power to tax; but I could not get out of my mind that one of these presentations was a voluntary enterprise while the other was the direct beneficiary of the taxing power of the Burgh and Corporation of Edinburgh. The Bach Choir had nothing whatsoever to do with governmental functions; the Edinburgh Festival was intimately involved with the taxpayers and the government of that city.

For more than fifty years the people of Bethlehem, Pennsylvania, have been holding their Bach Festival with such success that it has become internationally famous, receiving the enthusiastic approval of music lovers everywhere. Persons in all walks of life are members of the Bach Choir,

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and contribute their time and energy. This great voluntary community effort is a part of the life of the people, reflecting their interest in and liking for music. Spontaneously and without force, it has flourished. Only the director and a few soloists and professional musicians necessary to complete the program are paid; all other participants volunteer their time and talent.

The financial success of the Bach Festival is underwritten by voluntary guarantors from many states. There is no attempt to force any citizen living in Bethlehem to pay taxes to maintain a recreational program in which he might take no interest and from which he would receive no benefit. The Bach Festival is a strictly voluntary performance from every point of view. Anyone who loses interest or does not like it is free to withhold or withdraw his support.

The Festival at Edinburgh, more elaborate than the one at Bethlehem, includes grand opera, symphonic concerts, choirs, ballets, chamber music, soloists, and even theatrical presentations. Started after World War II, it has attracted to Edinburgh thousands of visitors from all parts of the world. Yet, despite this acclamation and support, the Festival ends its fiscal year with a deficit. Even after the sale of tickets, and with donations and sponsorships from individuals and organizations and an extraordinary promotional operation, there is still the deficit, to be covered by the Burgh and Corporation of Edinburgh with funds acquired by levying taxes on the residents of the city. The point to ponder is that there would be no Edinburgh Festival without the support of the taxing power of the city government. The Edinburgh Festival has become a function of government.

To question state support of the finest music programs may seem like questioning the virtues of the home, yet this is precisely where the functions of government should be most carefully examined. Governmental functions extended under the guise of sweet music also may be used to force people to live, work, and die in rigidly prescribed ways as is now happening in many countries. If the functions of government are not clearly defined and maintained, there is an inevitable tendency for the governmental vine to grow and expand until it embraces everything around it.

I was not the only person perturbed by the problem of the Edinburgh Festival. Various residents of that city in letters to the press complained that they, as taxable citizens and property holders, were forced to contribute

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to a function in which they had no interest and from which they received no benefit. The champions of the Festival replied that three or four million pounds were brought into Edinburgh each year as a result of the Festival, and that this substantial business justified supporting it with tax funds. But the fact remains that not all taxpayers of Edinburgh operate transportation systems, hotels, restaurants, garages, shops, or other businesses able to take advantage of the extra trade. The complaints of the burdened Edinburgh taxpayers seemed to justify Voltaire's definition of government as a force existing to transfer money from the pockets of one group of citizens into the pockets of another group. Right here, in the most cultural and innocent form possible, the fundamental functions of government to suppress fraud, violence, or force by persons or groups against other peaceful citizens had been surpassed; and the taxing power was being used to support special interests and activities which were not the function of government but the concern of those persons interested in and benefiting from such activities.

The present tendency to use tax funds and to expand governmental activity seldom takes into account that all tax funds and all governmental functions exist only because the police power can maintain the tax levies and operations. Without this power there could be no governmental operation. The Edinburgh Festival is a great cultural event, and it would probably shock its supporters to realize that behind all the fine music stands the policeman to collect the tax funds so necessary to keep the whole project functioning. And the same power stands behind every governmental function and every tax appropriation no matter for what purpose it is consigned.

My experience with concerts illustrates how far astray our muddled thinking and acting has led us in dealing with the primary functions of government, but it also demonstrates how successful a voluntary enterprise can be. Side by side I have seen the opposing ways in which the great problem of our time is being tackled; each dedicated to the highest cultural purposes, and each famous; one voluntary, and the other the recipient of special privileges in tax money grants. Strangely enough, in all the discussion of the Edinburgh Festival finances, there was an expression of grave doubt concerning its continuance. There was no such discussion at Bethlehem where plans are going ahead for next year's Festival. • • •

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Conquistadores del Cielo

LEONARD E. READ

CONQUERORS OF THE HEAVENS! Who are they today? The scientists? The engineers? The entrepreneurs? Investors in the airlines? No, none of these. The current conquerors of our heavens are the labor unions!

Who, acting on sheer caprice, can take the airlines out of service? Management? Owners? No, indeed! But the machinists' union can ground the planes. And so can any other of several labor unions, including the stewardesses, the flight engineers, and even the pilots.

It isn't that a strike against the airlines is any more to be decried than one against a humble tugboat or trucking line or a great railroad system. It's only that the principles at issue come into bold and dramatic relief when these sleek lounges of the sky are removed from their element and silenced. We can, in this instance, readily see what we are doing to ourselves.

My own experience with aircraft goes back to the time when I was a "rigger" – garbed in overalls – during the war "to make the world safe for democracy." We called them "crates" in those days, and the name wasn't inappropriate. The materials with which we worked were hickory, spruce, piano wire, turnbuckles, linen, and "dope," a kind of lacquer flavored

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with banana oil. Then, too, there were the rotary motors which spewed castor oil all over the air frames. Since 1918 I have logged more than a million miles aloft, and thus have observed the fabulous contrasts between those noisy, crazy, dangerous "crates" which a stiff wind often held to a near standstill and the luxurious and vibrationless new jet palaces that already are approaching the speed of sound.

What a spectacle confronts us! The faster we can fly the more are we threatened with not flying at all. As we learn how to out-wing the speediest bird, we must contemplate the possibility of becoming as earthbound as a population of ostriches.

Opposing Forces

The reasons for this dilemma are simple enough to discern. At work simultaneously are two mutually opposed human behaviors — one creative, the other destructive. Each is in high gear. On the one hand are the scientists and technologists in their vast variety of skills, pursuing truth, prying deeper, ever deeper, into the infinite mysteries which challenge man:

For I dipt into the future,
  far as human eye could see,
Saw the vision of the world,
  and all the wonder that would be;
Saw the heavens fill with commerce,
  argosies of magic sails,
Pilots of the purple twilight,
  dropping down with costly bales...

What Tennyson envisioned, our explorers after truth have surpassed.

On the other hand, is the strike, a coercive device. It is founded on a species of behavior opposite to the search for truth. The strike rests on the use of brute force and is thus destructive.

Strange Alliances

Progress and regress as simultaneous phenomena! There can be only the illusion of progress when any such equation is assumed. For, what can it profit a man if he makes a flying machine that someone else ties to a hitching post like a horse? In such a situation all energy is wasted, for the creative is canceled by the destructive.

In these days of economic nonsense and waning self-disciplines, it would seem as reasonable for the baggage handlers to strike and ground our planes as for workers in clay to close a plumbing factory. But that the lovely young hostesses of our winged chariots could initiate a strike and close an airline, tests all credulity. With perhaps a few exceptions, these girls simply are not strike-

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minded; they do not choose to stay on their jobs long enough to gain any such false notions. They are, however, "organized" by some few who have their "interests" at heart. Even more incredulous is the fact that most of the highly paid elite of the airlines, the captains, have resorted to the strike as a means to their economic ends, as though to defeat rather than represent and cooperate with the management. It would make as much sense to unionize the vice-presidents of the corporation!

Flight by Union Consent

Today, every mile aloft is flown under sufferance of the labor unions and most flights are manned and womanned by their members. It must be acknowledged, of course, that these unions in their noncoercive aspects are no more to be deplored than is the Ladies' Aid Society. Furthermore, the airline personnel, especially the stewardesses and flight officers, usually choose to act as company representatives first and to reflect the coercive aspect of their labor union membership second. These praiseworthy detachments from coercion explain why the airlines are able to fly at all.

It is the coercion – the brute force – that is so deplorable. Theoretically, there might be, and perhaps are, labor unions as free from coercion as the Epworth League. But, practically, such examples are not to be found among the "important" unions.

A libertarian should have no objection if a union member quits his job or even if many of them *voluntarily* quit in unison. The right to quit a job, not in violation of a contract, is among the most important rights of individuals in a free society.

Coercion Takes Over

But, morally and economically, a justifiable objection arises when coercion is introduced to keep others from taking jobs vacated by union members. The coercion occurs not only as abusive picketing and sympathetic strikes but also as outright physical violence. Day in and day out – in America! – innocent people are being threatened and assaulted, and redress is not to be had. The goon squad records in American industry for the past three decades would fill volumes, an accounting as miserable as the story of human slavery. It is this destructive force that permits a few to impose their unenlightened wills and their lust for power on the owners, the managers, other workers, and the public. To argue that vicious force is not always invoked to restrain others from taking vacated jobs is as idle as to defend communism

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by claiming that not all Muscovites are sent to Siberia. The threat of violence is often a more effective control than outright violence itself.

The "Right" to a Job

A job vacated by a union member is regarded as his private domain, not to be assumed by another, and this indefensible principle is legally acceptable and is enforced by the federal government. Although the power politics of labor unions is responsible for much of this governmental backing, we must concede that millions of individuals sincerely believe that there is a moral, economic, and social right to use force to keep another from taking a job that has been vacated, that has been "struck." Why this error?

The error may stem from an approved practice that appears identical but is, in reality, very different. For instance, it is necessary on occasion to use force to protect a person's right to the fruits of his own labor, his property. And we condone this use of defensive force. Do we not consider it altogether proper to use force to keep an intruder from occupying a home which the owner has vacated? And, wouldn't it seem to follow that a person has the same right to a job he has held as to a home he has occupied? This, possibly, is the key to much of the current confusion.

The right to a job, which is what the union contention amounts to, is to claim that a job is *owned.* This is a faulty notion of ownership, based on a false notion of a job. *Nothing can be owned that does not exist.*

A job is a two-party affair, an exchange arrangement limited to the time of the exchange: *quid pro quo,* something for something, tit for tat. Like a coin, it has two sides. And, like a coin, it is impossible to remove just one side and have anything remaining. It's heads *and* tails or nothing!

How Jobs Are Destroyed

In a strict sense, workers hire owners and managers just as much as owners and managers hire workers. Each seeks out and employs the other's cooperation. The job itself exists only while each is employing the resources of the other. Let either party quit and the exchange arrangement is at an end. The job has vanished. It does not exist. *Now, for a worker to lay claim to a job he has vacated is to claim something he himself has abolished.* To enforce such a claim is to take the employer's property. This is quite as absurd as if the employer, after shutting up shop, were to lay claim to his workers' labor and

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collect a cash equivalent from the workers' savings!

Examples in Other Areas

Let us shift our reflections to a nonunion area, one that is less fraught with emotion. When we engage a physician, we employ his resources of training and skill. He accepts some of our resources in exchange. During this exchange arrangement the physician has a job. Assume that he quits. We would as readily concede his right to do so as we would concede our right to quit him. But suppose that, after quitting, the physician uses force to keep any other physician from taking his place. The analogy is at once accurate and prophetic. Many of us would perish were the strike an accepted practice of physicians. And, many of us will perish if the strike becomes an accepted practice in commerce.

The strike, however, is not to be blamed exclusively on the pursuit of unenlightened self-interest by union leaders. There are plenty of pattern makers for the strike in many another walk of life. Sure, it's easy enough to condemn a strike and its viciousness, particularly if you're one of its victims. It's a bit more difficult, however, to uphold a philosophy which consistently rejects every violation of liberty, without exception. For none can consistently condemn the strike who stands sponsor for any socialistic item whatsoever. In short, each of us must be cautious lest he find himself in the position of the pot calling the kettle black.

Only to illustrate: "A" is an American perfume manufacturer. "B" is a French ditto. "C" is an American consumer with five dollars in his pocket. As long as "C" makes no move with his money, all is quiet on the Western Front. Business may be at a standstill with "A" and "B," but there are no frictions. Then, one day, "C" swaps his money for a bottle of French perfume. "A," who certainly is none the worse off for this exchange between "B" and "C," lets up an awful yap. It isn't that he loses; it is only that he doesn't profit by an exchange he might have enjoyed. He then claims a "right" to the exchange and forthwith proceeds to get a law passed, bringing into play the constabulary of the government, making such exchanges impossible in the future except as a penalty is paid by "C." Moral: "A," as much as any striker, claims that he has a vested right in and thus owns an exchange or job, after which he, like they, invokes coercive tactics to acquire the property of others – in exchange for nothing!

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A Sobering Thought

One evening, while several of the major airlines were grounded by strikes and another was threatened, I walked from my home into the starlit night. Only one plane could be heard and it was flying very high. Commercial? Not likely. Probably a government job – transport or bomber. Then a sobering thought: Let the stewardesses, the machinists, the flight engineers, the co-pilots, the captains invoke their strikes; let them play their riding-rough-shod-over-others game; let them keep the strike a little longer as a negotiating device. Let them do this and soon government planes will be all we or they shall fly. That's the Russian way to end strikes. They don't have strikes there! But, what a costly way! The price is the end of freedom for customers and for airline personnel as well.

Freedom once lost is difficult to regain. It may take decades, perhaps centuries. How much easier to learn the free market, creative way! This will take only the time that can be measured in months for persons with the potential intelligence of stewardesses, machinists, flight engineers, co-pilots, captains. They could, with some genuine effort, raise a standard for all the rest – these of our new, glamorous industry, these who should be among the *conquistadores del cielo.* • • •

HOW WAGES RISE

or – THE ECONOMICS OF COLLECTIVE BARGAINING

(*With apologies to the muse of Robert Southey*)

It was a cold December day
  At story-telling time.
Old Kaspar closed the windows tight
  And poured a rum-and-lime;
While Peterkin and Wilhelmine
Warmed up the television screen.

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They saw a street where people leaned
Against the empty stores,
Or stood in shuffling, silent groups
Outside the tavern doors;
While others walked in ragged lines
Displaying sandwich boards and signs.

"Now tell us what it's all about!"
The little children cried.
"It's more Collective Bargaining,"
Old Kaspar then replied;
"Those men are loafing in the cold
To get a pension when they're old."

"But how can folks get pension plans
By loafing in the street?"
"Employers always have their rent
And other bills to meet;
So when their shops are closed up tight
They can't afford a lengthy fight."

"Then how do workers pay their bills,
If they just loaf for days?"
"Oh, they'll go out on strike again
And get another raise;
But first they have to loaf, you see,
Until they get Security."

"But doesn't *everybody* lose
When folks go out on strike?"
"It raises prices," Kaspar sighed,
"Much higher than we like;
But it's the customary way
Of raising hired workers' pay."

H. P. B. JENKINS
Economist at Fayetteville, Arkansas

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Let there be LIGHT

A kilowatt-hour (KWH) of electric energy costs the average American home less today than it did 30 years ago, or 20 or 10 years ago. True, our electric bills have been mounting, but only because our use of electricity has mounted even faster. And one big reason why we keep on using more and more electric energy is that, while nearly every other thing has gone up in price, the price for a KWH has gone down.

MR. E. F. HUTTON, *well-known industrialist and investment banker, explains it thus in his news column, "Think It Through":*

THIRTY YEARS AGO, a KWH in the home cost about 7 cents; today, about 3 cents. When you consider that the purchasing power of the dollar has gone down, and the consumer's price index has gone up 90 per cent, the comparison is still more astonishing.

Compare the cost of the electric energy used in the average home, with the cost of an equal amount of energy supplied by human muscle.

The average home today uses about 3,000 KWH a year, costing – at 3 cents – about $90.00.

An average, able-bodied workingman exerts in a year energy equal to 67 KWH. If it were possible for men to do the job, it would take over 40 men to produce 3,000 KWH a year.

How much would 40 house servants cost a year, not counting free board and room, and no vacations? Not less than $80,000 – compared to $90.00. Some bargain!

This is what the privately-owned electric power industry, together with the manufacturers of electric appliances – from washing machines to curling irons, have done for you.

Yet the public power socialists call them "enemies of the people."

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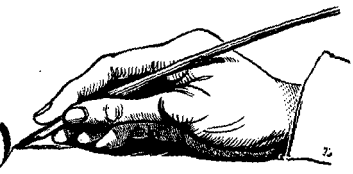
They Passed A Law



Describing a "social action"
so ancient of origin and persistent of practice
ye author could scarce bring himself
to phrase it in strictly modern prose.

VOLLIE TRIPP

Upon a time, in a far unsettled Countrie, a group of farmers were hard pressed to eke out a Living on their homesteads. They scrabbled and scrunged and went Hungry at times. But for all that, they were not too Unhappy, chiefly because none of them was much worse off than another.

And there came unto that Land a Stranger, and he also took up a homestead, like all the rest. In appearance the new settler was not unlike the rest, except that he shaved every day. The others wore Beards.

However, it soon became apparent that the new settler had a certain Qualitie. His farm soon took on an Orderly Look. He set out Orchards and a Vinyard and built a House that was very much better than any of the houses in the Vallie. And people set to wondering about this Man and how he could do these Things while they could not.

One day this thrifty farmer met a group of settlers talking about diverse things, in the shade of a wild plum Tree. Said he:

"I could use you boys over on my farm. I can't pay you high wages, but I think I can pay you more than you make, working for yourselves. At any rate, why not try working for me for a while?"

So, in a very short Time, this man had all the Settlers working for him, and his farm now Waxed more Beautiful and Prosperous than ever. In a few years there were fine implement houses, fields of yellow Corne, while herds of fat Cattle, Sheep, and Hogs grazed in the green Pastures. The Orchard, Vinyard, and Vegetable

---

Mr. Tripp, retired from the building business, now devotes full time to travel, writing, and promotion of free enterprise.

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Gardens were a joy to see, and these products were now Available in the Vallie for the First time.

The farms of his workers did not improve much, which was to be expected, since they could not work for themselves, and "work out," too. But their Fortunes improved in many other ways. They were now able to Eat more regularly and have better Food. They wore better clothes, and their wives were able to have New Hats at Easter time.

The men worked hard, trying to save and get Ahead, even as their Boss was doing. But no matter how hard they Worked and Saved, the Boss always drove a better team, wore finer Clothes, and had a bigger, finer House than any of them could have.

Now, from time to time came mutterings of Discontent and Envy from these workers. One day, the most Discontented called a meeting of his fellow workers to Consider what could be done.

"It is unjust that one man should have so much More than we have," said he. "I have considered this grave matter quite a lot. It's undemocratic, for one thing. I tell you what! When the Boss takes his wife out riding next Sunday, I will hide by the Gate that leads into his Place. When he gets out to open the Gate, I will knock him in the head with this Club I have constructed for this very purpose.

"Now all you men, who must be hiding in the bushes near-by, will come and help me. We will have to finish the woman, too, I suppose, though it Seems sort of a Pity. Then we will Divide his Cattle, his Sheep, even his Hogs, and everything that he has, equally among us. After all, it was our Labor that made him Rich and Prosperous. What think you of the plan, my friends?"

The fellow had no more than Finished, when one of the Workers arose, with a great indignation. "I will have no Truck with your plan, as foul a piece of business as I have ever witnessed," he shouted. "Have you Forgotten how we all lived on the verge of Starvation before this man came into our Vallie? He gave us work, directed our efforts, which before had been Unproductive. Have you forgotten how this woman helped our Wives to improve our homes and even nursed our children when they were Sick? For Shame — —!" The man sat down, choked with Rage.

However, all the others were in full Agreement that the Rich Farmer should be killed and all his goods divided among the Poor. But none of them would promise to lend a hand in the actual Dirty

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Business. Perhaps it should be explained, they were men of Delicate Sensibilities. So they conferred long into the Night about the best way to bring about the Desired End without doing Anything that would disturb their Consciences.

Toward midnight, a sly fellow who had said little up to this time, asked if he might speak. He said he had hit upon an Idea. He thought he could get a new Law passed which would make it Unlawful for anyone to have Sheep, Cattle, Hogs, or other stock, above a Certain Number. Or to own any Propertie whatsoever above a Certain Value. And anyone who Broke this Law would have his Propertie taken, and it would be given to the Poor.

But, instead of having the Farmer killed outright, it would be Better, he thought, to put him into Prison for life. Anyway, such a magnanimous provision would make Passage of the new law much easier, it being observed that many citizens are Fussy about shedding blood.

This Angle was discussed at some length. A few favored the Idea of sending the Farmer and his Wife (who was equally Guilty) to Prison for life. But then, it was pointed out, a man of the Boss' Intelligence and Resourcefullness might contrive to get out of Prison. Then he might use his Superior brain once more to enslave and exploit the poor workers. So it was thought best to kill them both, and have it Over With.

The workers were overjoyed at this Proposal – all, that is, save the One who Voiced a Protest that same night. He got up, aroused his family and took them from the Vallie, and was seen no more.

But loud was the Praise of the fellow who proposed this new Law. This was the very thing they wanted, to do Something Legally which few of them cared much for doing Individually. With everything done in a nice legal Official way, no Blame would attach to any of them. Their consciences would be clean as the Snow on Fox Mountain. At the same time their Objective, a redistribution of the Wealth, would be accomplished.

The fellow who proposed the Law, being something of a Lawyer, wrote it up then and there, with many Whereases, and Wherefores. And early next day he was on his way to see all the People in the Vallie, addressing them on behalf of the New Law with great force and Eloquence. Then, too, he had secured the Promise of all his friends to work hard for its Passage. "Let no door bell be left

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Unrung," said he. "Our Progress as a People depends on the passage of this piece of Progressive Legislation."

Since the new law was written in such a way that the Majority were spared from its provision, and they, being of a great number, the law was passed Forthwith. And the Rich Farmer and his Wife were now done away with, it being Legal to do this. Their Estate was sold, and the Money passed into the Public Treasury.

However, those who worked and Voted for the new law, expecting to Share in the great Redistribution, were somewhat dismayed, after all. In the First Place, there were so many People hoping to share in the booty it turned out that each one got but a few dollars. This made them sorely distressed.

Another thing. The lawyer claimed that he should have a larger share than the others, since it was his Law that made the Redistribution possible, in the first place. This was resented by the Others, who claimed all should Share alike. The fellow who had called the Meeting and was Prepared to use Force, was most bitter of all. He argued that his Personal Initiative should be recognized to some extent, because the Original Idea was his.

Worse still, nearly all of the money from the Rich Farmer's estate was taken out of the Vallie, and spent in Mysterious Ways. Some said it was used to build tile showers for the Smelly Removians, on the far Side of the World. Some said it was used to pay other Farmers for not growing anything. But One thing was sure. The money had left the Countrie, and there seemed no Way to get it Back.

In time, people's anger toward the rich farmer cooled, since he was no longer about. The Big house, the Barns, the Sheds, slowly fell to pieces. Weeds and Brush once more took hold of the Corne fields. The Orchard and the Vinyard died. There were no more fat Cattle and other stock to graise in the once lush fields. For none were found who could Do Things as he had done them.

Several of his old Employes openly expressed a wish that he was back in their Vallie once more. People began to recall many Kind Things that he had done, even while paying them good Wages. Some said it was too bad that he had to be killed. One man expressed the feelings of all when he said:

"One thing we all have to be mightie Thankful for. His Blood is not on our hands." • • •

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The SHAM and the DELUSION

E. W. DYKES

I ONCE HEARD of a fraternity chapter which had a house rule against drinking. This is not surprising because most fraternities have such house rules. The interesting thing about this one is that every two or three weeks, or whenever the urge came, the membership would decide to "suspend" the house rules and have a big weekend binge. Thus, the rules were kept unbroken. It was very convenient but fooled hardly anyone – perhaps not even the boys themselves. Facing facts, there were not actually rules against drinking in that house – the boys merely suspended their drinking habits temporarily during the week. And it wasn't very convenient to drink during the week anyway.

What reminds me of this story is the recent increase, in a long line of increases, of the federal debt "limit." As you probably know, the debt "limit" prevents the administration from spending more money than $..... without being illegal. The government scrupulously follows this rule. But just as soon as the deficit spending gets close to the limit, the Congress is asked for – and usually grants – a new ceiling, thus allowing the spending to go on as usual, if not at an increased pace.

Like the fraternity boys' broken house rule, the federal debt limit is an absolute sham. Unfortunately, it lacks the humorous overtones of the collegiate drinking party. Instead, it is a tragedy. Every increase in the debt limit means another inflationary binge. Inflation robs the people of their savings, their annuities, their bonds. It makes spenders out of savers and hastens the day of complete financial collapse.

The debt "limit" is only a delusion within which the Congress and the Administration pretend to operate.

Though we may not care how history records us, we need have little doubt what the record must show. Most likely we will be "written off" as a bunch of drunks who couldn't give up the habit.

• • •

Mr. Dykes is an architect from Canton, Ohio.

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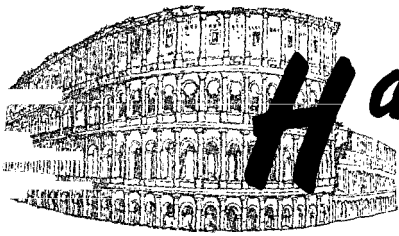

Handwriting on the Wall?

A review of Maxwell Anderson's The Golden Six

BETTINA BIEN

OVER THE YEARS, governmental power had gradually been increased. The chief executive, a trusted military hero, had the responsibility for maintaining peace and his mighty legions policed far distant lands. With large tax funds at his disposal, he had power to grant or withhold special favors. While free food and entertainment helped to keep the people happy, politicians curried favor to maintain their own positions. Thus, although the outward form of a limited constitutional republic remained, both citizens and politicians were slowly being molded into willing and submissive voters.

Such was ancient Rome! And this was the setting of Maxwell Anderson's latest play, *The Golden Six*.[1]

The curtain rose to show the Emperor's palace a few years after the birth of Christ. Freedom had been gradually eroded over the centuries by one governmental intervention after another and was finally destroyed by Julius Caesar's grab for power. Following Caesar's murder, Augustus had assumed complete control, and with this came the obligation of choosing his successor. From these facts, intertwined with fiction, Maxwell Anderson's play was woven.

Since Augustus had no son, he was determined to choose his successor from among "The Golden Six," three sons of his daughters and three sons of stepsons he had adopted. All six youths protested when they heard their grandfather's proposal; all were loyal to the ideal of a republic; none wanted absolute power to rule the empire; all urged a revival of the republican spirit and a return to limited government where no man would rule another. Then suddenly and mysteriously the grandson who protested most dropped

[1]Scheduled for publication by the Dramatists Play Service, Inc. (14 East 38th Street, New York).

Miss Bien is a member of the staff of the Foundation for Economic Education.

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to the floor – dead – apparently poisoned.

During the next few years, two more of "The Golden Six" died under peculiar circumstances. Augustus began to suspect that his wife, Livia, was responsible and that she also had been slowly poisoning him. Alone with him as he lay dying, she confessed her guilt. Then in spite of Augustus' dying wish that his successor be chosen according to his earlier intention, she announced calmly that her son Tiberius – Augustus' stepson, not one of "The Golden Six" – would be crowned emperor.

Within a short time, two more of "The Golden Six" were murdered. Only Claudius remained. Lame and stuttering, considered somewhat "simple," he could not cry out his praise of freedom as quickly as the others. So he alone was spared, to live quietly for years, with time to study and to practice speaking without a stutter.

The empire went from bad to worse. Tiberius found himself hopelessly enmeshed by his position. He struggled inwardly against the corrupting influence of power – but finally lost the battle. Caligula, who followed, epitomized tyranny and dissipation. No tear was shed when, according to the play, Livia reappeared after many years to plot his murder.

After the killing of Caligula, Claudius was called to take the throne. By that time, public works paid for by tribute from the provinces had made Rome a splendid showplace. The people had been molded into pliant and dependent voters by government giveaways, free corn, benefits for veterans, and entertainment. Arbitrary and progressive taxes had weakened many of the empire's wealthy men.

Claudius, his faith in freedom strengthened by his years of study, pleaded passionately for the republic's restoration. Incapable of explaining in an instant all that freedom means – written laws that no single man can set aside, power divided so that no man or branch of government is supreme, equal rights for every citizen, no tax on one man for another's profit – Claudius felt helpless. With deep emotion, he cried out that the republic had really worked for centuries. But none who listened understood the meaning of his words. Used to being fed and ruled, they no longer knew what independence was. Reluctantly, Claudius took the crown. And the people cheered anew their shackles.

A Famous Playwright

Maxwell Anderson is a famous playwright. The Pulitzer Prize was his in 1933 as was the Critics' Prize in 1935 and again in 1936.

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Some of his plays have had long money-making runs on Broadway. But Mr. Anderson is more than a successful author of popular plays. He is a man of ideas and ideals.[2] He wrote *The Golden Six* to show the parallel between conditions in ancient Rome that helped to cause her downfall and those we face today. It is a skillful, almost Shakespearian, "historical whodunit." It has plot and drama. The hero, Claudius, is a believable, true-to-life, likeable young fellow. The play has philosophy and introspection. It has a message, as true today as in the days of ancient Rome. "The tradition is so strong for freedom," Mr. Anderson has said, "that the people would not give it up unless they were doped for a long time. But a steady unearned income is the strongest dope there is."

As *The Golden Six* would indicate, the "bread and circuses" of Rome have counterparts today. Price supports, tariff protection, old age, unemployment, and veteran benefits, special bargaining privileges, tax exemptions, artificially low interest rates of an "easy money" policy, lush government contracts, and the like – these are the handouts by which politicians mold citizens of the twentieth century into pliant and dependent voters. Public vacation parks and resorts, municipal swimming pools, government subsidized theaters – these are our "circuses" today.

The Lesson Is Lost

Few persons care to ask from whence the funds come or to what these programs lead. Most people avoid such unpleasant topics and seek escape in light and gay amusement. Musical comedies draw audiences of thousands. A play that praises the modern "New Deal" hero runs on for months on New York's "Great White Way." Yet a play with a lesson from history is ignored.

Last year when *The Golden Six* was being staged, support was lacking for a Broadway showing. Mr. Anderson's freedom message opened in October, in a small theater many blocks from New York's "Great White Way," with a cast of comparatively unknown actors. It ran for the short span of 17 performances; and then it folded, mute evidence to the current thinking of a people whose tradition of freedom, like that of the early Romans, has been undermined by government handouts.

• • •

[2]See *The Guaranteed Life* (from the introduction to his *Knickerbocker Holiday*). Single copies available upon request from the Foundation for Economic Education, Inc., Irvington-on-Hudson, N. Y.

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MEMO ON PRIVATE ENTERPRISE

No. 4 in a series

"...(parcel post) operation should be made to charge rates that pay their full costs..."

The Transportation Association of America is a non-profit research and educational organization made up of users, investors and carriers representing all modes of transportation. Two-thirds of its voting memberships are held by shippers. Its efforts are devoted to the development and implementation of sound national policies that will assure the nation of a strong transportation system under private ownership and operation.

During 1958 the TAA took a strong stand against shipper proposals to increase the size and weight of parcel post moving between first class post offices. The TAA also emphasized to a Senate subcommittee, "We feel strongly that any such operation (parcel post) should be made to charge rates that pay their full costs, *including direct and indirect costs.*"

What does TAA mean by direct and indirect costs? Simply, that in addition to costs charged to the Post Office Department, parcel post is also government subsidized with part of its cost hidden in the budgets of other agencies and *not charged against the Post Office Department.*

It is impossible for private transportation carriers to compete against such unfair below-cost government competition!

The TAA urged that Congress uphold the following policies:

1. That Government should not engage in any for-hire transport services where adequate, privately owned facilities are or can be made readily available.
2. Parcel post rates shall be adequate to cover *all* costs of the service and the annual parcel post cost ascertainment reports of the Post Office Department shall include all costs properly attributable to parcel post service.

Only when such policies are upheld will the American public be justly served under the basic tenets of our free enterprise system.

For a free copy of the informative booklet, "The Truth About Parcel Post," address the Public Relations Division,

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A PRIVATE ENTERPRISE IN THE PUBLIC SERVICE

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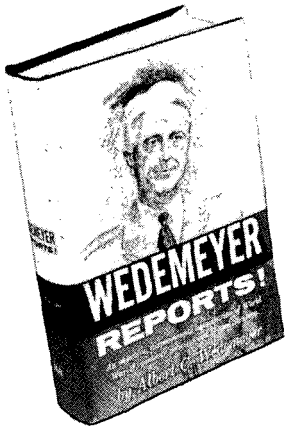

GRAND STRATEGY

IN REVIEWING General Albert C. Wedemeyer's memoirs, *Wedemeyer Reports!* (Holt, 497 pp., $6.00), for a monthly magazine, one is tempted to review the reviews. On balance, the book received an astoundingly good press for an iconoclastic work; but it might have been five different books that were being discussed!

This, in itself, though no tribute to the acumen of the rank and file of the reviewers, is a left-handed tribute to the protean nature of the General's wartime and postwar memoirs. For the truth is that the book is actually five books compressed into one.

Since the General is known to most people as the man who fought the good fight for Chiang Kai-shek in China, only to see his work undone by the communists after the war was over, it is the Chinese sections – roughly one-third of the text – which have received the most attention. General Wedemeyer was, of course, anxious to get the Chinese Nationalists' story told. But the General's overarching concern in this book is neither China nor Asia as such. The main purpose of the book has a much broader sweep: General Wedemeyer has been at great pains to evolve a theory of grand strategy that will prove relevant to both peace and war as well as to that gray-area mingling of the two that has become known as the cold war.

Five Books in One

The lesser "books" that comprise this book, then, are to be taken as illustrations designed to

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clarify the main theme. For his "book one" General Wedemeyer unravels the entangling web of emotions that pitched us headlong into a war on two fronts in 1941, a war which we might have sidestepped or fought to better advantage if we had had a grand strategy.

For "book two" General Wedemeyer draws upon his experiences as Chief of Staff George Catlett Marshall's "planner," making it plain to the reader that we blundered to a purely military success in Europe without any clear notion of what we were doing or of how we were to turn victory on the battlefield into victory at the peace table.

The "third book" in the larger book concentrates on the China theater, where our lack of a grand strategy was ultimately to lose us the friendship and the support of some five hundred million Asiatics. The "fourth book" consists of general reflections on "the war nobody won." In this section General Wedemeyer sometimes departs from his own eye-witness ground to cover things which happened in the European theater when he was thousands of miles away in Asia. But his sources are firsthand – and the General's earlier connections with the planning of the European campaign give him an insight which enables him to follow trains of evidence to trustworthy conclusions.

Altogether, the four subsidiary "books" buttress and amplify the General's conclusions about grand strategy which he sets forth in several chapters scattered throughout the volume.

War: Politics by Other Means

General Wedemeyer developed his consuming interest in grand strategy when he was a student at the German War College in the middle nineteen thirties. He knew all about Clausewitz's classic definition, that "war is a continuation of politics by other means." But, since war and politics are both a means to an end, it seemed to Wedemeyer that a grand strategy must be prepared to take advantage of either. Any grand strategy worthy of the name must be rooted in broad conceptions of national interest, but there must also be due respect for the conservation of energy: To render true service to a nation, strategy must attempt to gain its ends with the least expenditure of blood and treasure. Economic strength, political resources, propaganda, and psychology must come into the picture along with purely military potential. The truly successful strategy will win its victories without firing a shot.

As a student at the German

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War College, General Wedemeyer became friendly with many of the German officers who, years later, took part in the bomb plot against Hitler. Wedemeyer shared the distaste of these officers for Nazism from the start. But his German experience gave him a close-up view of Bolshevism, which he regarded as an even greater long-term menace to the free world than Nazism. He returned to the United States with his own idea of grand strategy in mind. As his "best possible case" he wanted to see Hitler and Stalin embroiled in a struggle that would result in mortal wounds being delivered to each type of totalitarianism without involving a costly effort by the West. Failing this, he wanted the U. S. to fight a war that would enable it to defeat Hitler without letting Stalin win any great advantages thereby.

Stumbling toward War

As a junior officer Wedemeyer could only watch with pained eyes as we stumbled toward Pearl Harbor. He didn't like it when Roosevelt gave American destroyers an order to shoot at German submarines "on sight." This was to risk war prematurely. Nor did he like it when the U. S. government, which had built a machine capable of breaking any and all Japanese codes, stood passively by without making any attempt to avert a war which it knew was coming at precisely one o'clock in the afternoon (Washington time) of December 7, 1941.

The European Campaign

Even before we were in the war Wedemeyer was in charge of the so-called Victory Program for the defeat of Germany. In the event of actual embroilment in Europe he hoped we would "go for the German jugular" – i.e., the manufacturing stronghold of the Ruhr. Modern war, he knew, was technological – and technology depended on coal and steel. Ergo, why waste time on sideshows? The thing to do would be to build a force capable of enveloping the Ruhr in one great decisive thrust.

This was the American conception of the European war – a conception which had the ardent support of both Secretary of War Stimson and Chief of Staff Marshall. Wedemeyer, both from conviction and from a sense of loyalty to Marshall, fought for the so-called "cross-channel" strategy in scores of jousts at all the big early war conferences with the British. With traditional British indirection, Churchill favored a more roundabout method of closing in on Hitler. He wanted to "close the ring" in the Mediterranean.

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Milling in the Mediterranean

But to Wedemeyer as to Marshall, it seemed obvious that protracted war in the Mediterranean would lead nowhere. It was one thing to defend the Near Eastern oil fields; it was quite another thing to waste blood in fighting for the possession of the Apennine ridges in Italy. To think that Hitler could be successfully attacked from the "soft underbelly" of the Mediterranean was an illusion, for Wedemeyer's planning staff had investigated every beach and dock in the Balkans and come up with the information that there wasn't a port in that part of the world through which the Allies could supply more than two army divisions. Moreover, once Churchill had made his deal with Tito, we would have had a communist on our flank if we had tried to reach Vienna or Hungary through the ports of Salonica or Trieste.

Wedemeyer considers that our preoccupation with the Mediterranean, which was insisted upon by Churchill, kept us from invading Northern Europe in 1943. If we had made the English Channel crossing in that year, says Wedemeyer, we could have reached Berlin and Prague well before the Russians. Moreover, we would have wound up the European war in 1944, and we would have been in a fine position to defeat Japan before Stalin could make a move in Manchuria. But we had gone into war in 1941 without a political strategy; and into the vacuum caused by our lack of aims Stalin poured his own Marxist legions.

The China Theater

As Commander-in-chief in the China theater in the last stages of the war, Wedemeyer hoped to prevent a communist victory in that part of the world. But here, again, our lack of a firm belief in capitalist economics and the politics of representative republicanism led to a hopeless confusion of the issues. Our State Department "advisers" in the China theater tried to sell Wedemeyer a bill of goods about the fine "Jeffersonian agrarianism" of the Red Chinese. Wedemeyer, however, had already listened to Mao Tse-tung and Chou En-lai, the Chinese Communist leaders. They had told him they were Leninists and socialists first, and Chinese only after the success of the proletarian revolution! Having received this information from the "horse's mouth," Wedemeyer was naturally depressed by his inability to convince General Marshall that we must stick to Chiang Kai-shek in China, "or else."

General Wedemeyer's book abounds in vivid descriptions of

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wartime personalities. It is breezy and anecdotal, and in places it has the swift tumultuous rush of a travelogue. But its enduring value is in the realm of ideas. What do we want as a nation? Do we want to become part of a gray collectivized world? Or do we want to remain a free republic in which men can associate voluntarily with other men to pursue their own individualistic ends? This root choice must go far toward establishing our national strategy. General Wedemeyer's book is a clarion call to all of us to think our basic problem through. • • •

1984 IN RED CHINA

IT IS 1984 in Red China; Orwell's chill vision of the future has already been brought to pass by Big Brother Mao. Such is the feeling one gets from reading Edward Hunter's *The Black Book on Red China* (New York: The Bookmailer, 172 pp., $2.00.). Hunter's previous books on China established his competence. In the present volume he details the unrelieved horror and misery of a communist dictatorship reinforcing Oriental despotism.

Most of Mr. Hunter's material is gleaned from the controlled Chinese communist press which reveals many symptoms of unrest. Party newspapers rail against subversive (anti-red) activity, they condemn "reactionary" and "rightist" thought, and they carry news items about continuing anticommunist guerrilla warfare, and the rugged resistance to collectivization in sections of China as well as in Tibet.

One of the most telling episodes in recent years is found in the unexpected reaction of the intellectuals and students to Mao Tse-tung's 1957 "Hundred Flowers" speech. Mao must have been confident that any "flowers" that might burst into bloom would be recognizable offspring of his communist seed. The harvest was a rich one, indeed, but the recessive genes of free thought came through as dominants. Brave persons – naively interpreting the invitation as an indication of the Party's sincere desire to learn of its shortcomings – praised the opportunity to speak and gave voice to ideas critical of the regime and its leaders. Pent up energy gave rise to student strikes, public demonstrations, and actual uprisings in many parts of China, provoking a party conference at Peking to state that "students place too much emphasis on democracy and personal freedom." And all

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over China, punitive, "rectification" measures were taken against those persons who had innocently fallen into Mao's hundred-petaled Venus'-flytrap.

Red China's search for subversives employs three quarters of a million professionals, plus several million "activists" who help the purge by informing on their neighbors, parents, schoolmates, and associates. If such vast numbers are needed to ferret out recalcitrants, there must be a deep-running current of opposition to this "people's democracy," even at top levels. A Yugoslav communist newspaper reported early in 1958 that "Sixty deputies of the National Peoples' Congress (of China) have been deprived of their seats. Ten standing members have been expelled from the Standing Committee, the supreme organ of the Congress, and three ministers of the Central government have been dismissed." These people were communists, members of the ruling elite. Whether they were purged for theoretical defection or mere differences of opinion is uncertain. But, however you look at it, something about human beings continuously gums up the communist mechanism. Red China is no exception; unrest is found in all strata of society.

The Black Book is not an impartial survey; the author holds his subject matter up to moral judgment. And beginning with the third chapter on slave labor, and the following chapters on farmers, religion, communist "jurisprudence," doubletalk, family life, crime, brainwashing and genocide, the reader's own emotions are involved. One is first incredulous, then filled with revulsion, as he realizes that a twentieth century society has exceeded the worst fictional nightmares of the "Brave New World" variety. Red China's aim is a society of puppet-like people from whom all human dignity has been stripped, where minds are scientifically emptied of any individual thoughts or plans and are filled with the State's "doubletalk" and "doublethink," the better to manipulate the victims. It is a land where policies are set by a group of men to whom such values as honor, truth, justice, love mean only those measures which serve the Communist Party; and as the demands of the Party change from day to day, the meaning of these concepts changes

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accordingly. A man finds himself arrested one day, trapped by following the party line of the day before. Here is a country where children purge parents, where all warmth of human relationships has been frozen by fear. Chan Kotza, a gentle poet, taking advantage of the "Hundred Flowers" speech, spoke out sadly: "Why have friends now become strangers to one another? . . . A man feels a great need to have a friend and to talk with him openly. . . . There are no friends here."

Part of *The Black Book on Red China* is an argument against admitting Red China to the United Nations. One's answer to this problem will be determined by his view of that organization and the applicant's ability to meet certain technical requirements of admission. Mr. Hunter forcefully presents arguments and evidence against this step, but the real power of his book lies in its portrayal of the ravages wrought by communism on a great and ancient nation. ZELDA KAPNER

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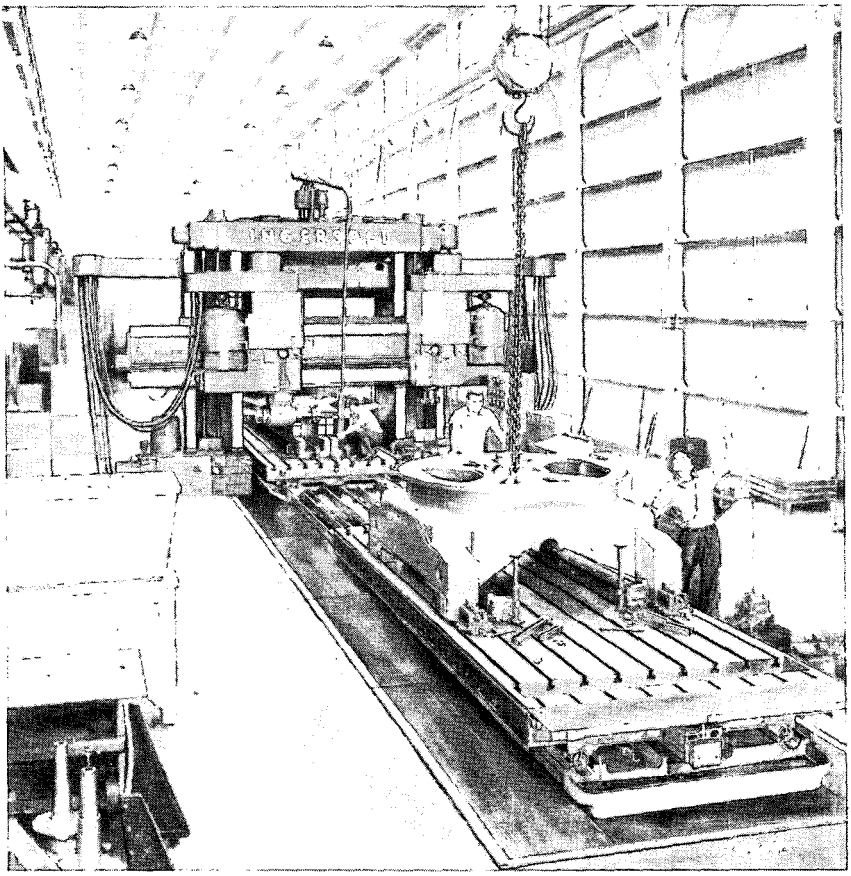

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